

The NATIONAL UNDERWRITER

WE ARE AT WAR! Loyal Americans on the Insurance front have turned their backs on the fat times, easy sales and quick profits of the days before Pearl Harbor. With sleeves rolled up they are drafting plans to put every available resource to work in an all-out drive for victory, without forgetting that theirs is the duty to provide adequate insurance protection for industry, property, homes and lives in time of war. Sacrifices will have to be made, and willingly. Tightened belts are a sound index of better fighting trim.

In keeping with this trend, new plans will have to be made and then again be scrapped and remade. Business practices, which we have looked upon as our rights, will give way to new methods that will cut through established routine in the best interests of the nation's welfare.

Only the faint-hearted will look back longingly on the good old days, and then bury their heads in the sands of lethargic do-nothingness. Normal conditions for waging all-out war call for sacrifice and the courage to give up many things which have seemed to be so comforting and worth while. We propose to accept these conditions as normal for the duration and for victory.



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
120 So. La Salle St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department,
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
INSURANCE



— FOR VICTORY — BUY UNITED STATES WAR BONDS AND STAMPS



THURSDAY, MAY 28, 1942



This is a **WAR** *of* **PRODUCTION**

Victory will depend in large measure on whether *enough* war materiel is supplied the fighting forces and whether it is provided *in time*. More and more industries, both large and small, are being included in this all-out production effort. Nothing must be allowed to prevent these plants from attaining the utmost speed and efficiency of which they are capable.

¶ As a backlog against crippling losses, in-

surance takes on even greater importance than ever. If this financial protection is reinforced with an always-on-the-job, day-in-and-day-out accident-prevention engineering service — such as Aetna provides — its value is still further enhanced.

¶ Which is another reason why every insurance producer worthy of his calling now has greater responsibilities — and opportunities — than ever before.

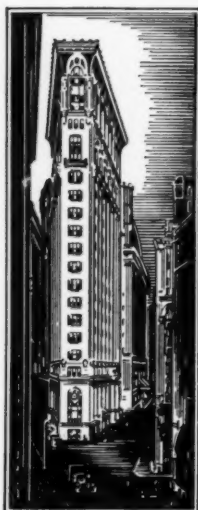


Aetna representatives are particularly well equipped to give many "victory-aiding" services to their clients and prospects.

IT PAYS TO BE AN AETNA-IZER

THE AETNA CASUALTY AND SURETY COMPANY
THE AETNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

THE NATIONAL UNDERWRITER: Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-sixth year. No. 22. Thursday, May 28, 1942. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.



FIRE • MARINE • CASUALTY • SURETY

Great American Group of Insurance Companies New York

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

AGENTS EVERYWHERE

GREAT AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1872

GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. • Incorporated 1926

AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

DIRECTORS GREAT AMERICAN INSURANCE COMPANY

DANIEL R. ACKERMAN...New York City
Vice-President and Secretary, Great American Insurance Company

EARL D. BABST...New York City
Chairman of the Board, American Sugar Refining Company

H. DONALD CAMPBELL...New York City
President, Chase National Bank of New York

ARTHUR O. CHOATE...New York City
Clark, Dodge & Co.

JOHN M. DAVIS...New York City
Chairman of the Board, Delaware, Lackawanna & Western Railroad Co.

LOUIS W. DOMMERICH...New York City
L. F. Dommerich & Co., Commission Merchants

PERCY H. JOHNSTON...New York City
Chairman of the Board, Chemical Bank & Trust Co.

SAMUEL McROBERTS...New York City

ALEXANDER R. PHILLIPS...New York City
Vice-President, Great American Insurance Company

WILLIAM H. KOOP...New York City
President, Great American Insurance Company and Affiliated Companies

JESSE S. PHILLIPS...New York City
Vice-President, Great American Insurance Company, Formerly Superintendent of Insurance of New York

HOWARD C. SMITH...New York City
Estate Trustee

MAURICE J. SULLIVAN...New York City
President, American Can Company

ROY B. WHITE...Baltimore, Md.
President, The Baltimore & Ohio Railroad Co.

GARRARD B. WINSTON...New York City
Shearman & Sterling, Attorneys



This Man

Helps Your Business

When your America Fore fieldman calls, he comes prepared to help you increase your business. He brings new ideas and a knowledge of current underwriting conditions which can be of great value to you.

Consult with him as though he were your partner, for what benefits you benefits him and the companies he represents.

America Fore Insurance

THE CONTINENTAL INSURANCE COMPANY
FIDELITY-PHENIX FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
FIRST AMERICAN FIRE INSURANCE COMPANY

Eighty Maiden Lane.



and Indemnity Group

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President
FRANK A. CHRISTENSEN, Vice-President

New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 22

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 28, 1942

\$4.00 Year, 20 Cents a Copy

Program for Commissioners Meeting Given

James W. Close of R.F.C. Will Talk on War Damage Corporation

OKLAHOMA CITY.—With reservations running high and already topping those of last year at this time, Jess G. Read, secretary, foresees a large attendance at the convention of National Association of Insurance Commissioners in Denver, June 8-10. He predicts that because of the meeting of the executive committee Sunday afternoon, a full attendance will be insured.

Preceded by two hours of committee meetings, the first executive session will be called to order at 11 a. m., June 8, when the formal program will be launched.

Welcome by Dignitaries

Invocation will be given by Very Rev. Paul Roberst, Episcopal Diocese of Colorado; welcome to Colorado by John C. Vivian, lieutenant governor; welcome to Denver, Benjamin F. Stapleton, mayor; response on behalf of the convention, vice-president John Sharp Williams, III, Mississippi.

Charles F. Hobbs of Kansas, the president, will give his address. Adjournment is scheduled for 1 p. m.

Buffet Supper and Dance

The afternoon will be reserved for committee meetings and the evening for a buffet supper and informal dance.

Tuesday morning reports will be heard from committees followed by an address on "War Damage Insurance" by James W. Close, counsel for R. F. C.

Committee meetings will be held throughout the afternoon.

The convention session Wednesday morning will open at 11, when reports of committees will be heard and election of officers held.

At 1 o'clock a fellowship luncheon will be served honoring the newly elected officers.

The schedule of committee meetings was announced as follows:

Monday, June 8

9 a. m.—Room A—Sub-committee on life insurance executive session. Requested by McCormack of Tennessee.

10 a. m.—Laws and legislation committee: Sale of insurance by non-admitted carriers through mail and radio. Requested by Berry of Michigan. License requirements requested by Lockhart of Texas.

2:30 p. m. Room C—Life committee. Conversion privileges and war clauses on group life insurance. Requested by Rouillard of New Hampshire.

3:30 p. m. Room A—Accident and

Report Details on WDC Setup to Be Told June 15

NEW YORK—June 15 is reported to be the date on which the War Damage Corporation will announce the details of its setup. If this proves accurate, it will mean a tremendous amount of work for companies and producers to get insured covered by the time the present "free" coverage ends July 1. The law sets July 1 as the effective date of the premium-paying plan and there is no provision for an extension, though of course it could be extended by Congress.

Jesse Jones Has Other Work

Delay is understood not to be due to dissatisfaction with the plan on the part of the Reconstruction Finance Corporation or to a desire to make any additions or changes but rather to the pressure of other work on Commerce Secretary Jesse Jones. These other duties are extremely urgent, while in the absence of enemy air raids the war damage question is relatively remote. Raids on the eastern seaboard by Nazi airmen, such as have been discussed recently in the newspapers, would bring war damage insurance to the fore and would undoubtedly hasten the RFC's action.

Cargo War Risk Increases

NEW YORK—Marine underwriters have removed Australasian shipments via Cape of Good Hope from the published cargo war risk rate schedule. The most recent rate published was 9 percent. All African ports listed in the schedules now take a 10 percent rate. Some of these ports were 7½ percent and others 9 percent.

A number of substantial increases were made in western hemisphere rates.

health committee, executive session. Requested by McCormack.

4:30 p. m. Room C—Allocation of fire premiums committee. Illegal underwriting practices. Requested by Jones of Illinois and Lockhart and Caminetti, California. Interstate rating of multiple locations. Requested by Caminetti, Lockhart and Jones.

5:30 p. m. Buffet supper and dance at Lakewood Country club.

Tuesday, June 9

9 a. m. Room A—Fraternal committee. Requested by Sullivan of Washington.

10 a. m. Room B—Valuation of securities. Requested by Pink of New York.

2:30 p. m. Room B—Taxation committee, sub-committee report on marine and inland marine insurance tax, progress. Requested by Thompson, Oregon, and Graves, Arkansas.

2:30 p. m. Room D—Committee on dividends.

4:30 p. m. Room D—Sub-committee on examinations. Executive session. Requested by McCormack. Examination procedure. Examination qualifications. Requested by Lockhart, Gough, New Jersey, and Kavanaugh, Colorado.

5:30 p. m. Room D—Examinations committee. Requested by Read.

Wednesday, June 10

9 a. m. Room B—Committee on real estate appraisals. Discussion of suggested appraisal form. Discussion of rules governing real estate valuations.

Lehman Signs New Policy Bill

N. Y. Governor Hints Optional Coverage Contract May Be Created

Accompanied by a message of hearty commendation, Governor Lehman of New York has signed the bill creating a modernized standard fire policy to become effective in the state July 1, 1943. He observed that this is the first change that has been made in the standard form of policy for use in New York in 24 years. The public will be given broader coverage and a more liberal contract. Many of the rigid restrictions and limitations contained in the present policy are no longer necessary and have been eliminated, the governor stated. The old form insured only against fire whereas the new policy will include the additional coverage of lightning.

Flexibility Is Feature

One of the main features of the bill is the leeway granted with respect to the face of the policy, Governor Lehman stated. With the approval of the insurance superintendent the face of the policy may be rearranged to provide space for the listing of amounts of insurance, rates and premium for the basic coverages insured under the standard form of policy and for any additional coverages or perils insured under endorsement as well as such other data as may be conveniently included. This, the governor stated, is most progressive and forward looking. It permits variations on the face of the policy and enables the assured more readily to ascertain the extent of his coverage and the amount of the premium which he is paying for it.

The implication is that there is an intention in New York to bring out a form of optional coverage policy of the type that has been introduced and has proved highly popular in the middle western states under the leadership of the Western Underwriters Association.

Pink's Renewal Slips Released

NEW YORK—The department has prepared two forms of certificate for fire policy renewals, each in two sheets, one intended for assured and the other as a daily report. The forms differ in size, though each it is held furnishes all essential data for both property owners and companies. A public hearing to consider the merits of the proposed certificates will be held in this city June 17.

Some 30 states are upon record as stating the issuance of certificates would be permitted under their laws.

W. J. Reynolds of Corroon & Reynolds, came out with a strong appeal for certificates, contending that if used only for certain classes of risks there would be a heavy saving.

Glimpse of War Damage Setup Is Given

Hovey Freeman Tells How Problems Were Solved by the Conferees

NEW YORK—Hovey T. Freeman, president of Manufacturers Mutual Fire, in addressing the insurance conference of the American Management Association here, gave certain facts concerning the proposed operations of the War Damage Corporation and related some of the considerations that were involved in arriving at various decisions. He spoke with authority as he is a member of the insurance group that has been conferring with the Reconstruction Finance Corporation in connection with the project.

War damage insurance, he said, is one of the worst headaches that the insurance industry here and abroad has ever had. There are so many varying and indeterminable factors involved that there is no way of measuring the risk to arrive at a reasonable yet adequate rate based on experience.

Practices Prior to War

Prior to Pearl Harbor, the factory mutuals and many of the stock companies issued limited amounts of coverage either by an extension of the riot and civil commotion clause or by a separate contract. At the time of the Pearl Harbor attack, however, practically all companies immediately ceased granting any further war damage coverage until a study could be made of the situation.

The charge that the insurance companies "ran out" on their policyholders is unfair and untrue. By not taking on war risk liability they were seeking to protect their policyholders who had purchased the standard coverages. They might have taken on war risk insurance and perhaps made a lot of money. On the other hand they might have lost their shirts and insurance management cannot be blamed "for having played the game safe."

Had the federal government immediately announced that it would guarantee any company that would write war risk insurance against insolvency, the problem would have been a simple one but that was too much to expect. Everyone recognized, however, that the federal government had to be brought into the picture.

Setting Fears at Rest

In order to set at rest the fears of the citizens, President Roosevelt announced on Dec. 13 the formation of the War Insurance Corporation with a capital of \$100,000,000 and that pending completion of details losses resulting from enemy attacks would be protected up to

(CONTINUED ON PAGE 15)

Insurance Buyers Gathering Holds Unusual Interest

Emphasis on War Time Questions at Management Association Meeting

NEW YORK—Insurance managers of corporations in all parts of the United States are on hand for one of the best attended meetings in the history of the American Management Association's insurance conferences. The program for the two-day meeting is closely tied in with problems resulting from the war and the usual interchange of experiences has a special value this year, with the result that in spite of the pressure of other duties members find attendance a "must" for the well-informed insurance manager.

The entire first day was devoted to the insurance problems of a hypothetical concern, Mythical Manufacturing Company. This thriving establishment employs 8,000 persons, manufactures paints, varnishes, lacquers, and lead products, owns an ore smelter, a tin can plant, a processing plant, located in New York City, Chicago, Los Angeles and Dallas. It owns mercantile buildings and leases buildings in various cities. In addition, a \$12,000,000 shell plant, for which funds have been supplied by the Defense Plant Corporation, is being constructed and operated by a subsidiary known as the Mythical Manufacturing Defense Company.

Stock Valued at \$11,000,000

Mythical Manufacturing Company's property and equipment is valued at \$9,000,000 and its stock inventories at \$11,000,000. It sells to retailers and to consumers through controlled outlets. It is engaged to some extent in foreign trade, importing raw materials and exporting finished products. It controls a manufacturing plant and a warehouse in Brazil. In addition to the risks peculiar to its type of business the company also has the usual insurable values, such as boilers, truck fleets, and the like. The size, characteristics, and risk situation of the imaginary concern were carefully worked out in advance so as to be of interest to the largest possible number of insurance buyers.

A panel of experts representing the various sections of the insurance business answered questions put by Reginald Fleming, insurance manager Commonwealth & Southern Corporation and

(CONTINUED ON PAGE 31)

With Houston F. & C.

J. E. Chenault, who has just been appointed vice-president of Houston Fire & Casualty, was previously with Gulf of Texas since 1926 and before that was with Republic of Dallas for six years.

Mr. Chenault will work jointly with Dudley Ferguson, executive vice-president in charge of production and underwriting until Mr. Ferguson goes into the army soon. At that time Mr. Chenault will have full charge of that department.



J. E. Chenault

Vermont Agents on General Motors Men

Considerable Discussion Arises as to Licensing of Automobile Salesmen

Howard A. Allen, president of the Vermont Association of Insurance Agents in his address to its midyear meeting said that the legislative committee would seek to have the insurance laws of Vermont completely revised. The object is to clarify, simplify and modernize the insurance laws of the state. Especially will there be an effort to obtain enactment of a modern financial responsibility law like that of New York and New Hampshire. Fay Reed of St. Johnsbury, is chairman of the legislative committee.

Agents reported that they were not having any noteworthy competition from those General Motors representatives who had been licensed as insurance agents. These representatives seem to be writing fire, theft and collision only. Where they had gone outside this field, some of them have made unfortunate insurance errors, so bad, that auto dealers found it wise to discourage writing any general business.

Regret was expressed that the laws of Vermont did not prevent the appointment of the General Motors representatives as licensed insurance agents. Criticism was advanced that when the agents proposed more stringent licensing laws, statements had been made that present laws were adequate, but that when a situation like that of licensing automobile salesmen became an issue, then the ruling of the state attorney general was that the law is not adequate to deal with the problem.

The general opinion was that the General Motors representatives had obtained insurance licenses only to keep them in a favorable position for competitively defending their finance business.

Agents believe that number four extended coverage should be written at a lower rate and that the one cent extra charge for smoke damage in connection with extended coverage should be eliminated.

President Allen particularly urged agents to explain to their assured the difficulty of replacing much property today in order to emphasize the necessity of prevention in order to safeguard business.

Vice-President

The Western Insurance Bureau fortunately retains Herbert A. Clark of Chicago, vice-president and western manager of Fireman's group, as president and chairman of the board from year to year. Here is a case where a man never grows old in his position nor does he assume any pretensions of ownership. It does shift the vice-president from time to time.



Chas. D. James

This year C. D. James, president Northwestern National, becomes vice-president. He succeeds J. C. Hiestand, secretary Ohio Farmers. Mr. James is one of the stalwarts in the organization. He is the third member of his family who has been president. His grandfather, Alfred James, was a picturesque and forceful character in his day. Later his father, Alfred F. James, was president and made a good record, he now being board chairman. Mr. James is highly regarded by his associates in the Western Insurance Bureau.

ness. He said that payment of the insurance money in many cases would not enable a man to re-establish his business because the necessary equipment for doing that would not be available.

W. C. Lawrence, Springfield, reported a 10 percent greater automobile rate in Vermont up to May 1 of this year as compared with the same period of last year.

Mandatory Extended Endorsement

It was disclosed that Maine, Rhode Island and Vermont agency associations favor a mandatory extended endorsement. Apparently the chief hindrance to this action on the part of the New England Rating Association, arises from opposition in Massachusetts. It was agreed by the agents present that it was essential today for an agent to include extended coverage if he would avoid severe criticism in the event of an extended coverage loss occurring without that protection.

Agents reported that they were being asked about reduction in rates on automobile liability because of reduced driving.

Magrath for All Insurance Guarantee Fund

Makes Suggestions to Remove Any Possible Ground for Attack

Establishment of a guarantee fund to replenish the funds of any failed insurer sufficiently to avoid loss by policyholders or claimants was advocated by J. J. Magrath of Chubb & Son in addressing the convention of the Mississippi Association of Insurance Agents at Biloxi.

The fund, he suggested, should be operated in a manner similar to that of the Federal Deposit Insurance Corporation except that its management would be in private hands.

Mr. Magrath is a man with a decidedly progressive attitude and his observations are always attended closely because for many years he was chief of the rating bureau of the New York insurance department.

Should Prepare for Attack

That was one of several recommendations made by Mr. Magrath in pleading that insurance be organized to meet all attacks upon itself as an industry. He feels that in the period of economic and political upheaval after the war insurance may be jeopardized as a private enterprise. Many of those employed in civilian activities of the government will be prompted by their selfish interests to seek to perpetuate their employment by efforts to take over business or compete with business. "We must give them no issue that they can take before the public as a justification for such an act," Mr. Magrath asserted.

Those who have designs upon the insurance business, he said, will charge that the business has failed to meet obligations to policyholders and it will charge that the costs are excessive.

So as to make the first charge completely baseless, Mr. Magrath advocated setting up the guarantee fund.

Cites Record as to Failures

Mr. Magrath pointed out that there were only scattered local failures among fire and marine insurers even through the period of the great depression and hence the attackers would find but little comfort in that direction. Although the record of casualty and surety companies has been excellent during recent years, Mr. Magrath stated, "it is not one of which we can be particularly proud during the early years of the depression."

The principle of guarantee funds is not new in the insurance business, he pointed out. In 1935 a stock fund and a mutual fund were organized in New York to guarantee payment of insured compensation benefits. The aggregate of these funds now exceeds \$4,000,000. Then more recently a fund was created for the guarantee of policyholder obligations under compulsory automobile insurance.

Administration of Fund

A new organization should not have to be created to administer the fund. The facilities could be used of the National Board, Association of Casualty & Surety Executives, etc., to act as custodians and managers. "I would consider the creation of guarantee funds for the protection of policyholders as a great contribution to public welfare and to the public relations of the insurance business as well as being a strong argument against any attempt to introduce

(CONTINUED ON PAGE 36)

THIS WEEK IN INSURANCE

Program is announced for annual convention of **National Association of Insurance Commissioners**. Page 3

Governor Lehman of New York signs the bill to create a modernized **standard fire policy**. Page 3

Report is that the details on the setup of the **War Damage Corporation** will be announced June 15. Page 3

Gathering of insurance division of **American Management Association** in New York this week is one of the best attended in its history. Page 4

Establishment of a **general guarantee fund** for all types of insurance companies is advocated by J. J. Magrath in talk at Mississippi agents meeting. Page 4

Vermont Association of Insurance Agents discusses at considerable length the licensing of General Motors representatives as agents. Page 4

Georgia Association of Insurance Agents elects R. L. Ellis president at annual convention; hears plea for unity by Payne H. Midyette. Page 5

Commission issue, unity are big topics at the annual convention of the **Texas Association of Insurance Agents**. Page 5

Kentucky Association of Insurance Agents eyes new sources of premium income at annual convention; elects J. J. Hackworth. Page 5

Oklahoma Association of Insurance Agents held its annual meeting at Tulsa this week. Page 5

O. Shaw Johnson of Clarksdale is elected president of **Mississippi Association of Insurance Agents** at convention in Biloxi. Page 5

Governor Lehman of New York takes action on a number of **important insurance bills** that were passed by the legislature. Page 22

Sterling of Chicago, now getting its business through radio and direct advertising, is making arrangements to enter the agency field. Page 23

Heavy losses predicted in **open stock burglary** field. Page 21

Many of the top **fire insurance organizations** are holding their annual conventions in the east this week. Page 6

Effect of **gasoline rationing** on field men and local agents in the east is studied. Page 10

As a result of a public hearing on the question of **local agents' commissions in Texas**, the problem now appears to be squarely in the hands of the insurance commissioners. Page 6

Program is announced for annual meeting of **National Association of Independent Insurance Adjusters**. Page 21

Health & Accident Underwriters Conference at annual meeting in Kansas City initiates scheme to offer civilian war risk accident policy on a pool basis. Page 21

W. Ross McCain of Aetna Fire is elected president of **Inland Marine Underwriters Association**. Page 8

South Carolina Association of Insurance Agents announces annual convention program. Page 38

Plans announced for **Detroit convention of National Association of Accident & Health Underwriters** June 29-30. Page 22

Southern States Hold Conventions

Unity Is Keynote of Texas Agents Annual Parley

Discuss Commission Problem; Elect Willard Brown President

NEW OFFICERS ELECTED

President — Willard Brown, Corpus Christi.
Vice-president — Alden Evans, Fort Worth.
Directors—Albert Bevan, Houston; R. C. Franks, Bryan; B. B. Greever, Wichita Falls; W. B. Bertelsen, Cranfills Gap.

SAN ANTONIO—The commission situation was one of the prime topics at the annual convention of the Texas Association of Insurance Agents here last week. In an executive session the association approved work already done on this matter by the officers and the conference committee, and instructed them to continue functioning on the problem. However, the action taken at the convention does not constitute approval of commission regulation, it was stated.

Willard Brown of the Brown Insurance Service, Corpus Christi, is the new president. Members of the legislative committee elected for one year are: D. A. Clark, Sweetwater; Al DeViney, Austin; U. N. Clary, Prosper; Etheridge Woodward, Waco, and Gordon Kenley, San Angelo.

Eric Gambrell's Report

Eric C. Gambrell, retiring president, reviewed the commission matter in his annual report. Marvin Hall, Texas fire insurance commissioner and other members of the commissioners' board have worked with the agents 100 percent, he said. When Mr. Hall suggested that companies and agents combine their thoughts and bring in a program under which all could live, the agents submitted certain principles which they thought had a bearing on the situation, such as reduction and limitation of agency plants, elimination of underwriters' agencies, discontinuance of coercive practices in finance business and adherence to local board rules.

Finally agents have been asked to work with a company committee to agree on a permissible expense ratio to which will be tied an anticipated loss ratio, and upon these two factors will be based the rate, he said. Their objective is to standardize commissions and return savings to the public in the form of rate reductions.

Rates Will Be Reduced

"Please bear this in mind," Mr. Gambrell declared, "regardless of the outcome of the commission situation some rates will be reduced. The loss experience justifies it, but it will not be punitive. The agents must face these cold facts. To assume an attitude that any scale of commission is justifiable is

(CONTINUED ON PAGE 13)

Ellis Is Reelected Georgia Head

Payne Midyette Makes Two Appearances; Group Changes By-Laws

ATLANTA—At the annual convention of the Georgia Association of Insurance Agents here Rutherford L. Ellis of Atlanta was reelected president along with the following: First vice-president, W. M. Fambrough, Columbus; second vice-president, J. M. Barrett, Dalton; secretary-treasurer, Hugh Hill, Savannah. The Macon and Augusta Boards made bids for the 1943 convention.

The convention approved two changes in the by-laws. The first is that the office of second vice-president is reestablished; the second, that the executive committee is given the power to fill any vacancy caused by anyone called into service of the armed forces.

President Ellis' Report

President Ellis in his annual report stressed the need for more local boards and stated that during the year two new ones had been formed. They are Decatur and Valdosta. He told how the organization had increased its membership during the year to a new high of 342. He reported that the organization was in good financial condition. He listed as accomplishments during the year such features as the stopping of licensing of automobile salesmen and dealers as agents; the extensive showing of the sound moving picture film "Fighting the Fire Bomb," and the drive with safety campaign.

Serving on the resolutions committee were: H. C. Arnall, Newnan, chairman; Earl Medford, Marietta; Joseph Espy,

(CONTINUED ON PAGE 33)

Eye New Sources of Premiums at Kentucky Meeting

NEW OFFICERS ELECTED

President — James J. Hackworth, Shelbyville.
First vice-president — Norman A. Chrisman, Pikeville.
Second vice-president — J. Bryan Lawton, Central City.
Secretary-treasurer — Peyton B. Bethel, Louisville.

LOUISVILLE.—A number of new slants on how best to serve assured were brought out at the annual convention of the Kentucky Association of Insurance Agents here last week. About 150 attended.

With mercantile inventories, home building and construction, automobile, garage and service station business reduced by priorities and rationing and whisky underwriting falling off, the Kentucky agent faces the necessity of locating new avenues of business if he is to maintain premium volume, it was brought out. Accident and health and farm business were among the new sources suggested.

Adopt Several Resolutions

One resolution adopted by the association is that no member will raid the business of any agent who has entered service, and will aid such agents to the fullest extent. Agents pledged themselves to purchase war bonds to limit of their ability and give an average of at least one hour a week to promoting sales of war bonds and to other war activities. A special "national defense" committee to aid in civilian defense is to be appointed.

Opposition to company appointment of men not qualified to be agents was expressed in another resolution. Such appointments are unfair to the public, which has a right to expect competent service from licensed agents, particularly during the war. Such appointments cost the companies good will and embarrass

(CONTINUED ON PAGE 33)

Mississippi Agents Hold Annual Muster at Biloxi

War Damage Situation Uppermost—Magrath Makes Significant Address

Nearly 250 members and guests of the Mississippi Association of Insurance Agents gathered at Biloxi for the annual convention.

O. Shaw Johnson, Clarksdale, long prominent in Mississippi agency circles, was advanced from vice-president to the presidency, succeeding Theo. Hardy, Vicksburg, who in turn was elected national councillor. John B. Sneed, Gulfport, was named vice-president and Clant M. Seay, capable secretary-manager, was renamed to that post by the directors.

The newly elected president appointed Russell Lindsey, Laurel, to fill the vacancy left by John B. Sneed. Frank D. Montague, Hattiesburg, is the retiring national councillor. New directors include Louis Julienne, Jackson, Gulfport; David J. Brewer, Greenwood. Retiring directors include E. H. Bradshaw, Jackson; M. Shelby Pickett, Hattiesburg; E. A. Lang, Pass Christian; Clifton Livingston, Yazoo City.

War Damage Topic

The topic of principal interest to all present was the war damage insurance situation. Fred A. Moreton, Salt Lake City, the representative of the National Association of Insurance Agents, ex-



Willard Brown



R. L. Ellis



O. Shaw Johnson

Oklahoma Agents Feel Optimistic About Future

NEW OFFICERS ELECTED

President—Guy M. Landes, Tulsa.
Vice-president — John W. Bowers, Enid.
Secretary-treasurer — Fred F. Fox, Oklahoma City.
Executive committee—H. V. Yerby, Poteau; H. L. Farish, Oklahoma City, and G. P. Broadbuss, Ponca City.

TULSA, OKLA.—Despite travel difficulties, a near record attendance was on hand for the annual convention of the Oklahoma Association of Insurance Agents here this week. Total registration of agents and company representatives was 204.

Conditions and problems brought about by the war featured virtually all of the addresses and through them all was a highly optimistic tone which indicated the conviction that local agents will fare better than they now expect premium wise, they will have many opportunities to expand after the war—if they are able to justify their existence by the service they render during the emergency, and they now have a won-

derful opportunity to develop public good will by taking the lead in civic and defense enterprises.

The gossip around the lobbies was that this would probably be the last convention held during the war because of the increasing travel difficulty.

The insurance business is in a position to serve the nation in war a peculiarly valuable way, Fred Daniel, retiring president, said in his annual report, with respect to protection against fire, arson, and sabotage. By cooperating with the National Board, inspection bureaus, engineers and other trained company men, agents can set up an effective organization. One has been perfected in St. Louis, and Mr. Daniel recommended the St. Louis plan

(CONTINUED ON PAGE 14)



Clant M. Seay



Theo. Hardy



Fred Daniel

plained as clearly as it was possible the plan of the War Damage Corporation and the manner in which it would operate. "While definite announcement has not been made," he said, "it is believed that policies will be issued in the name of the corporation and definite contracts of protection will be offered." Mr. Moreton implied that the War Damage Corporation would not be an instrumentality of the government and therefore was subject to legal proceedings and in turn could take action of its own accord. The policy contract, he said, will be simple and will contain the normal exclusions found in many current standard forms. All property, for example, will be covered with the exception of bills, cur-

(CONTINUED ON PAGE 34)

Tex. Commission Issue Now Squarely Up to Department

Little Accomplished at Hearing in Austin on the Problem

The commission problem in Texas is now resting squarely in the hands of the Board of Insurance Commissioners, where it is most likely to stay until June 23. That is the result of the hearing which was held before the whole board May 20 and of the discussion at the annual meeting of the Texas Association of Insurance Agents in San Antonio May 22-23.

Although the hearing at Austin attracted a record crowd for such an affair, not much of a concrete nature was accomplished because of the unwillingness of several of those sponsoring an amended commission schedule to discuss the matter. As a matter of fact the hearing was unexpectedly short and left the situation very much up in the air, with the certainty that it would get considerable discussion at the convention of the insurance agents the same week at San Antonio. The discussion did develop at San Antonio but behind closed doors in the executive session from which all company and press representatives were excluded. It is reported that the association officers requested that no member of the association take any notes on anything that was said, as the entire discussion was to be off the record.

Resolution of Confidence

From the executive session a statement was made in behalf of the officers that the local agents had adopted a resolution expressing a vote of confidence and thanks to the officers and conference committee for their work already done and gave instructions that their work be continued but it was explained that this particular resolution was not to be construed as an approval of the regulation of commissions.

The hearing at Austin was opened by Col. William Thompson, attorney for the fire insurance companies who gave a discussion of expense factor in the fire insurance premium rate and warned the commissioners that any revision in the rating schedule that is made should allow sufficient funds to cover the fixed expenses such as taxes and other factors such as claim expense so that the business can be properly conducted. He also reminded the board that it was contemplated that the companies be allowed an underwriting profit and that also there should be a factor in the expense schedule to allow for a conflagration reserve. He said that the overall expense ratio in Texas business during the last five years has been 49 percent in three of the years and 48 percent in the other two. He also reminded the board that the most recent session of the Texas Legislature had increased the tax rate on fire insurance premiums to 4.05 percent, the amount which virtually all of the non-Texas companies are required to pay and that because of the inequality in the taxing rates as applied to mutuals, the business of mutuals should not be taken under consideration in arriving at the proper amount to be allowed for expense.

Fort Worth Memorial

Fire Commissioner Marvin Hall, who at the request of Board Chairman O. P. Lockhart, conducted the hearing,

Expounds P. P. F. at Virginia Agents Meeting

RICHMOND—Much interest was evidenced in the talk of H. D. Van Gils, agency manager of Automobile, on "The Personal Property Floater Comes to Virginia," at the annual convention of Virginia Association of Insurance Agents being held here this week. The form now is being written in 37 other states and the District of Columbia, and its estimated annual premium volume is \$10,000,000, he said. There is no doubt as to its appeal to the insuring public or of its adaptability.

The personal property floater eliminates the need of old fashioned ways of insuring personal property and personal effects, he said. These old methods of providing, or of attempting to provide, adequate insurance through innumerable policies, each covering a specific peril or perils, frequently overlapping and conflicting, are clumsy and outmoded when compared with the streamlined floater.

Agents in territories where the form has been written, who have devoted any reasonable time and effort to the class, have found it appeals to the insuring public, and it results in substantially increased premium income. It creates widespread interest and favorable comment among assured. By combining several policies in one, a multiplicity of collections, expirations, files, etc., are eliminated, and this cuts agency expense.

Rates Are Very Reasonable

Mr. Van Gils explained the various coverages of the policy, its exclusions, and the procedure for writing it. The rates are extremely reasonable, he said. He warned against the danger of improper amounts of coverage in the policy, either too low or too high.

Rates in all but certain counties of Virginia at the present time are 95 cents on the first \$5,000 of insurance, 65 cents on the next \$5,000, 45 cents on the next \$10,000, and 10 cents on the excess. These rates are in addition to fire and windstorm. The minimum premium for full coverage is \$50 for one year or \$100 for three years. For a deductible of \$15, the minimum premium is \$35 for one year or \$70 for three. On a \$25 deductible, the premium is \$25 and \$50. The deductible form, with its substantially lower premiums will appeal to many assured. The deductible does not apply to items scheduled on the policies such as jewelry, furs or fine arts, but only to the blanket portion of the coverage, and then not in case of many types of losses.

It is unnecessary to wait for the expiration of existing insurance before soliciting the personal property floater, because existing policies can be credited in writing the floater form, Mr. Van Gils said.

While experience is by no means a cause for alarm, the form does show a more or less constant increase in loss ratio, he said. The agents should recognize the importance of close selection of clients if present low rates are to be maintained.

pointed out that various conditions had made the present expense formula obsolete and he particularly urged discussion on all parts of the formula. This brought out a representative of the Fort Worth Insurance Underwriters Association, Melvin Miller who read to the board a resolution adopted by the Fort Worth Exchange in opposition to the rate change.

This resolution substantially is as follows: That the Fort Worth Exchange restate its long standing position of favoring the right of private contract between an insurance agent and his company or companies; that the Exchange was unalterably opposed to the Board of Insurance Commis-

(CONTINUED ON PAGE 31)

Canadian Fire Loss Up 23% in 1941

Dominion Prevention Group and Marshals Hold Annual Gathering

MONTEBELLO, QUE.—Canadian fire losses totaled \$28,042,907 in 1941, an increase of \$5,307,643, W. L. Clairmont, Canadian fire commissioner, reported at the joint meeting here of the Dominion Fire Prevention Association and the Association of Canadian Fire Marshals. There were 48,609 fires last year, 1,980 more than in 1940.

There was an increase of 429 fires and \$1,816,760 in property loss in manufacturing establishments. "Such increases," Mr. Clairmont states, "were expected in view of the greatly stepped up industrial expansion which took place last year. Of interest is the fact that in only three cases was the cause attributed to sabotage. In one of these the loss was negligible and in the other two the loss was about \$52,000. Carelessness still appears to be the greatest saboteur."

There was a sharp increase in the number of large fires. There were 56 fires in which the loss exceeded \$50,000, representing a total loss of \$7,157,244, compared to 46 of these fires for a loss of \$3,745,000 in 1940.

Greater Efforts Needed

"Greater efforts in fire prevention are necessary if we are to keep our fire losses down to a reasonable figure," Mr. Clairmont declared. "There is an added incentive toward this objective in the growing scarcity of resources and the increasing difficulty of obtaining replacements. Every fire today is a national calamity. Efforts of every patriotic citizen should be directed toward the elimination of wastage caused by fires."

Canada's per capita fire loss of \$2.46 in 1941 was the highest since 1933. The 1940 per capita loss was \$2.01.

Property losses, insured and uninsured, were reported by Mr. Clairmont as follows:

	Insured Loss 1941	Uninsured Loss 1941
Alberta	\$ 1,575,091*	\$ 281,244
British Columbia...	1,019,540*	589,279
Manitoba	1,102,562	110,256
New Brunswick...	1,139,081	1,213,651
Nova Scotia.....	1,083,434	461,650
Ontario	7,106,443	1,620,851
Prince Edw. Island	178,060	72,216
Quebec	7,767,421	1,888,364
Saskatchewan	653,171	180,593
	\$21,624,803	\$6,418,104

*Losses insured by dominion licensed companies.

Plan Important Role

George J. Richardson, secretary-treasurer International Association of Fire Fighters of America, declared that fire fighters are playing an important role in providing protection against civilian loss of life by fire. He warned that no city fire department in America has the manpower or equipment to enable it to properly provide efficient fire protection against such attacks as were made on British cities.

T. Alfred Fleming, director of conservation National Board, congratulated the association on the rapid strides it had made in its two decades and praised the close cooperation between Canadian and American fire fighters and fire prevention members.

L. Hessel, inspector London, Ont., fire department, stressed the importance of educating the people in the matter of fire prevention. Suitable films should be shown to children on fire prevention.

McCulloch Addresses Club

LOS ANGELES—Howard McCulloch, special agent American Surety, addressed a meeting of the Orange County Insurance Agents Association on "Dwelling Lines, Including Burglary and Glass." He represented the Casualty & Surety Field Men's Association of the Pacific Southwest.

Many Association Parleys in East This Week

National Board, N.A.U.A., S.C.A., Insurance Society, I.M.U.A., F.C.A.B.

NEW YORK—The present week has been notable for the number of fire association gatherings that have already taken place and of several scheduled for the remaining three days.

First on the list was the annual meeting of the Inland Marine Underwriters Association at Skytop, Pa., Monday and Tuesday. The Insurance Society of New York held its annual gathering here Tuesday, as did the Fire Companies Adjustment Bureau. The following day the National Automobile Underwriters Association was in annual session, and on Thursday forenoon the annual round up of the Stock Company Association will take place followed the same day by the annual meeting of the National Board and by that of the National Board of Fire Underwriters Building Corporation.

These important conferences brought to this city the largest aggregation of executive talent since the memorable silver anniversary of the National Board last year.

The prospects are that every seat in the grand ball room of the Waldorf-Astoria will be occupied when President R. P. Barbour calls the annual meeting of the National Board to order. The program calls for the submission of reports from each of the standing committees and the address of the president. Recognized as one of the most thoughtful students of the business and possessed of unusual power of expression the address by Mr. Barbour will undoubtedly be significant in the light of the many complex issues confronting the business these days.

While the National Board dinner has been omitted this year a group luncheon will be served. The guest speaker will be George E. Sokolsky, noted columnist.

It is a foregone conclusion that Mr. Barbour will be reelected president; J. M. Thomas, continued as vice-president; B. M. Culver treasurer and W. E. Mal-lalieu, general manager.

Prepare for Cooperative Handling of Public Lines by Pittsburgh Local Agents

The Pittsburgh Association of Insurance Agents has formed a corporation known as Pittsburgh Agents Association, Inc. to handle insurance and bonds where the assured or obligee is the United States government, commonwealth of Pennsylvania, county of Allegheny, city of Pittsburgh or any political subdivision. The incorporators are John B. Ladley, president of the Pittsburgh agents association; Charles A. Reid and Frank P. Fletcher.

Murray Watt Special Counsel

NEW YORK—The appointment of Murray L. Watt as special counsel of the New York department is announced. His main duty will be to direct the placing of insurance on state properties under the war damage act. His services will be available to all officials charged with the care of state properties.

Previously Mr. Watt was of counsel to the joint legislative insurance committee and had charge of the investigation into the availability of common stocks as investments for fiduciary institutions.

If you want to continue to live in your home, Check these Fire Hazards!

YOU don't want to take any chances of having your home damaged or destroyed by fire, these days. You might not be able to rebuild until after the war. You would lose many things which you can't replace today. And—you would be giving aid and comfort to our enemies by destroying a part of our national wealth at a very critical time.

The best way to protect your home against fire is to stop it before it starts; to eliminate the conditions that cause fire. Here are the factors responsible for most of the fires that occur in homes.



Cigarettes. They cause one out of every four home fires. Never lay down a lighted cigarette. Don't smoke in bed. Have plenty of ash trays handy and extinguish your cigarette before throwing it away.

Check Your Furnace Flue Pipe. If it is badly rusted it may permit sparks or hot gases to escape. Have an expert check over your oil burner and controls at least once a year.



Oily or Paint-Soaked Rags may cause spontaneous combustion, particularly if they are stored in some warm place. Keep them in an air-tight can or burn them up if you haven't a safe place to store them.



Clean Out the Attic. If an incendiary bomb should drop through your roof, don't give it a lot of fuel to feed on. The country needs the waste paper and scrap metal that may be lying idle in your attic to help win the war.

Clean Out the Cellar. Don't permit combustible rubbish to accumulate near your heating system. Don't put hot ashes in wooden containers. Keep your cellar neat and clean.



Beware of Hot Fat. One of the best ways to extinguish burning fat is to slip a cover over it. This shuts out the air. Don't use water; it may spread the fire. Control the heat under boiling fat so that it does not get too hot.

Fireplaces. Screen your fireplace before leaving it—even for a few minutes. Don't burn too big a fire or one that swirls glowing embers or lighted papers up the chimney. Have the flue cleaned if it is sooted up and be sure the chimney is in good condition.



Electric Appliances. Turn off or disconnect your electric iron before leaving it to answer door or telephone. Replace worn extension cords on lamps and appliances. Use fuses recommended by your electric light company and don't overload your circuits.



THE TRAVELERS FIRE INSURANCE COMPANY • HARTFORD • CONNECTICUT
THE CHARTER OAK FIRE INSURANCE COMPANY

Weigh Effect of Marine Losses

Mackubin, Legg Finds Liquidating Values of Stocks Suffer Little

Mackubin, Legg & Co. of Baltimore, through its bank and insurance stock department, has prepared a further study of the probable effect of ocean marine war risk losses on the insurance companies. Their conclusion still is that although as a result of these losses, earnings this year will be penalized, yet the stocks of numerous high grade insurance companies are available now at a very substantial discount from liquidating values and the liquidating value as well as the underwriting profit must be considered in evaluating the desirability of insurance stocks.

Mackubin, Legg has set forth the company members of Syndicate C which writes the war risk hull insurance, and then worked out an approximation of the effect on the various companies on the assumption first that hull losses may eventually prove to be \$20,000,000, secondly, that they may prove to be \$30,000,000, and thirdly, that they may prove to be \$40,000,000 greater than the premiums.

Individual Companies

For instance, on the \$20,000,000 assumption the loss of Aetna Fire might be \$500,000, or the equivalent of 67 cents a share; Agricultural, \$170,000 or \$1.42; American, \$300,000 or 22 cents; American Reserve, \$75,000 or 75 cents; Automobile, \$487,500 or 88 cents; Bankers & Shippers, \$52,500 or \$1.31; Boston, \$325,000 or \$10.83; Camden, \$75,000 or 19 cents; Continental, \$360,000 or 18 cents; Federal, \$500,000 or \$1.25.

Other Companies Shown

Also Fidelity-Phenix, \$360,000 or 24 cents; Fire Association, \$150,000 or 75 cents; Fireman's Fund, \$1,000,000 or \$3.33; Firemen's, \$300,000 or 16 cents; Glens Falls, \$360,000 or 72 cents; Globe & Rutgers, \$400,000 or \$5; Great American, \$500,000 or 31 cents; Hanover, \$16,000 or 40 cents; Hartford Fire, \$310,625 or 26 cents; Home, \$366,250 or 12 cents; North America, \$1,038,750 or 86 cents; Jersey, \$26,250 or 53 cents; Merchants, \$125,000 or 42 cents; National, \$387,500 or 77 cents; National Liberty, \$73,750 or 3 cents; New Hampshire, \$100,000 or 33 cents; North River, \$230,000 or 29 cents; Pacific, \$52,500 or \$1.31; Phoenix of Hartford, \$400,000 or 67 cents; Providence Washington, \$430,000 or \$1.43; Reliance, \$25,000 or 25 cents; St. Paul, \$400,000 or \$2.50; Security of New Haven, \$350,000 or \$1.75; Springfield, \$138,750 or 69 cents; U. S. Fire, \$300,000 or 60 cents; Universal, \$225,000 or \$4.50, and Westchester, \$415,000 or \$1.04.

Long Term Basis

Mackubin, Legg points out that insurance stocks should not be purchased with the idea of profiting from day to day variations in price. The wise purchaser buys on a long term basis into those companies where the growth factor is operative. Current yield is sacrificed for future principle enhancement. Periodically the growth trend has been interrupted because of various developments but seasoned and competent managements find ways to surmount such problems.

Mackubin, Legg suggests how rapidly perspective might have changed during the debt repudiations of the middle 1840's, the prosperity era of the Mexican war and the gold inflation period of the 1850's; the long deflation period after the Civil War, the depression of 1884, panics of 1893 and 1907, the first world war, post war prosper-

Chicago Manager Chief of Illinois Air Patrol

James R. Graham, Chicago branch manager of United States Aviation

Underwriters, has been appointed commander of the Civil Air Patrol for Illinois. He has been granted permission by his group to devote as much time as is necessary to the CAP work. Headquarters of Illinois CAP is in the Civic Opera building, where there is already a substantial staff. The CAP plan of civil defense, using private planes and private pilots to relieve regular service equipment and personnel for more active war duties, has just been launched by OCD. Mr. Graham is an experienced pilot, with many hours of commercial and test flying in his log.



J. R. Graham

W. R. McCain Now Heads I.M.U.A.

W. Ross McCain, president of Aetna Fire, was elected president of the Inland Marine Underwriters Association at the annual meeting at Skytop, Pa. Vice-president is F. B. McBride, manager of the Atlantic marine department of Fireman's Fund. S. W. Carey, Appleton & Cox, is chairman of the executive committee and H. L. Wayne is secretary.

Those elected to the executive committee for three year terms are O. C. Torrey, Marine Office of America; D. C. Bowersock, Providence Washington; Harold Jackson, William H. McGee & Co.; W. F. Boylan, St. Paul F. & M. Those elected to fill unexpired terms are S. F. Law, Springfield F. & M.; J. L. Powell, Chubb & Son, and H. E. Sayre, Newhouse & Sayre.

H. V. Smith, president of Home, was elected chairman of the board of appeals.

Gas Storage Menace in East

NEW YORK — When the intended rationing of gasoline throughout the east became known many motorists bought quantities and stored it in garages and even in their homes. This created a fire hazard that alarmed municipal officials and fire insurance people. Sharp warnings against the danger have been issued, and in this city several persons were heavily fined for violating a fire ordinance.

ity, 1929 collapse and the false start of recovery in 1936 and 1937.

Straight ocean marine other than war risk is expected to show a profit for the year, according to Mackubin, Legg. Although substantial losses have been suffered in connection with war risk cargo, it is reported that the companies are still obtaining a fairly substantial volume of this type even though their rates are higher than those quoted by a government agency. Accordingly the companies writing this risk have an opportunity to recover some of the losses already accrued. Very possibly war risk cargo for the entire year may break even. War risk hull losses were substantial and most of the business is being written by a government agency so there is practically no opportunity for the private companies to recover these losses.

The effect of the losses on liquidating values is relatively little percentage-wise.

With motor vehicle losses improving, it is not impossible that there will be a profit from the motor vehicle line that will offset to a large degree the unfavorable results in ocean marine.

Outlines Practical Plans for Handling Business of Agents Entering Service

TULSA, OKLA. — Any contracts taken by an agent to carry on the business of another agent or solicitor who is entering service must be an individual agreement between the parties concerned, E. R. Ledbetter, Oklahoma City, said at the annual convention of the Oklahoma Association of Insurance Agents here. Mr. Ledbetter gave a comprehensive analysis of the problems of protecting the business of agents who are in war service.

No general agreement can be drawn to fit all cases, he said, but there are certain general guides that can be followed. There should be a definite formula agreed upon by both parties before the business is turned over to the operating agent so that if the agent does not return from war, a definite agreement for the sale of the business will be in effect.

In this connection, Mr. Ledbetter offered three general plans: Cash basis, an agreement for a fixed cash settlement such as one annual commission, three or five year policies being reduced to an annual basis; one renewal deferred payment plan, under which the operating agent would agree to pay to the agent entering service or his heirs one renewal commission on each policy as it is renewed, whether one, three or five year policies, and a three year deferred payment plan, which Mr. Ledbetter regards as the best one, under which payment would be 50 percent of all renewal commissions received each year for three consecutive years.

Right to Select Purchase Plan

The purchasing agent should have the option of electing at the time of sale which of the three plans should be used. The results in renewing policies of agencies will differ materially. After the operating agent has become familiar with the business he can better determine which of the three plans is the fairest to both parties. If this is not done it might work considerable hardship on the purchasing agent.

If the agent while in service earns a substantial amount the agent handling his business probably should receive a greater percentage of the commission. Mr. Ledbetter suggested the purchasing agent's earnings be augmented by enough additional commissions to give

him earnings equal to his last three years average, not to exceed 50 percent of the net commissions. On the other hand, if the agent entering service is a private and receives very small earnings, the operating agent should make a more liberal contract for the handling of the business.

Must Have a Profit

Unless the operating agent can at least earn his cost of doing business and also a slight profit, in spite of his patriotism he is not going to look after the business as well as he would otherwise. Everyone wants to be as generous as possible to fellow agents, but at the same time consideration must be given the agent who has to stay at home. He must remain solvent, and is going to have to spend some time on civilian defense work. Also, it is going to be increasingly harder to sell new policies, so it is necessary that an agent make a living if he is to preserve the agency until the agent returns from war.

The matter of income tax will enter into any deal that is made. Income received by the operating agent will go into the top bracket, and tax rates are certain to increase. However, in purchasing an agency, the commission on the business bought can be charged back against the investment account until the purchase price has been recovered.

The expense of operating an agency has already gone up materially, and agents are buying war bonds. It is essential then that an agent not be so generous that he cannot stay in business.

Not Permanent Business

The business handled by the operating agent will be lost as soon as the other agent returns from service, whereas the business the operating agent would produce in the time the absent agent's business takes would be permanent, continuing on his books for an indefinite period.

Mr. Ledbetter thinks it a good idea that local boards have a plan, as does Oklahoma City, providing that if a member dies, is incapacitated, or enters service, a committee is named to call on the wife or other heirs to offer counsel on the conduct of the business or its disposition. Renewals of such agents are protected for a certain time.

Comprehensive Rating Plan Spreads, Synthetic Rubber Plant Coverage Under Way

WASHINGTON—Use of the comprehensive casualty retrospective rating plan, originally developed for cost-plus contracts, on lump sum sub-contracts is spreading and has been approved in a number of states. So far, only Reconstruction Finance Corporation and its subsidiaries, notably Defense Plant Corporation, are known to have used it in this manner, but it is considered likely that the war and navy departments may also adapt it for these contracts. Virtually all general contracts are now on the cost-plus basis and the new use of the plan is to bring lump sum sub-contractors under the same plan and the same carrier as the general contractor and the other sub-contractors.

Plans are now under way to insure synthetic rubber plants, financed by Defense Plant Corporation, under the same broad forms used for other plants under this agency. It is expected that the different oil underwriting groups will write these lines, since, with a few exceptions, they are largely oil refinery operations. The property damage form will probably be changed to include explosion of pressure containers, a major hazard in refineries. Synthetic rubber produced by these plants will become the property of Rubber Reserve Corporation and will

Paul Haid Well on Road to Recovery, Takes Leave of Absence Until August

NEW YORK.—The numerous well wishers of Paul L. Haid, president of the Insurance Executives Association, will be glad to learn he is on the high road to recovery from his present illness.

At the request of the trustees of the association Mr. Haid will take a leave of absence until the end of August and so be away from the office during the inactive hot weather season.

Mr. Haid's illness is blamed on overwork through the past fall and winter seasons. Confidence is voiced that he will be restored to good health by early fall.

Lanphar Heads Detroit Work

M. F. Lanphar, prominent local agent at Detroit, has been appointed commander of the Citizens Defense Corps of the Detroit area. He established quite a record as district air raid warden.

undoubtedly be insured under the same plan as other rubber.

Tires and tubes acquired from dealers by the RFC have been assigned to Defense Supplies Corporation and are being insured under the general coverage of that organization.

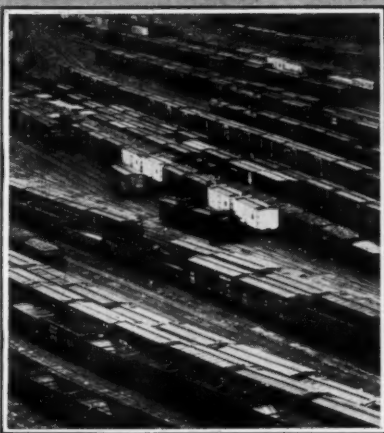
Building America!

RAILROADS


The industries and prosperity of the United States have both built, and been built by, its railroads. The country's first railroad was opened October 7, 1826. It was 2 miles long, with horses as motive power, and was used to carry granite blocks from Quincy, Mass. to Milton for use in the construction of Bunker Hill Monument. In 1846 the Granite Railway Co. was authorized to use steam power and transport passengers and merchandise. In 1830 there were but 23 miles of completed railroad in the United States. By 1941 there were 414,414 miles of track—about 30% of the world's railway mileage. Recorded investment of railroad property at the beginning of 1941 was \$26,618,000,000 and operating revenues averaged \$12,184,000 a day.

Statistics by Assn. of American Railroads.

PROTECTING AMERICA!



By EWING GALLOWAY, N. Y.

America is on the move. And vital to the protection of an America-on-the-move is the safeguarding, by insurance, of vast investments in railroad property and the incalculable value of shipments on the move by land, water and air.

The need for such protection is a challenge to preparedness. Insurance is now, as in the past, ready to meet that challenge with far-reaching coverages which apply to virtually all forms of insurable hazards in practically every situation. And just as American railroads have kept pace with America's growth to provide the ultimate in transportation service and safety, so have the Royal-Liverpool Groups not only met, but anticipated, the demands of agents and brokers for unexcelled production aids and highly specialized insurance service facilities. May we tell you about them?

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

Effect of Gas Rationing on Insurance Men

By RALPH E. RICHMAN

BOSTON—Gasoline rationing boards in New England generally accepted insurance men as in a preferred class of user. This does not mean that insurance men got X cards, those entitling the user to unlimited amounts of gasoline. Very few X cards were received by insurance men and then only when they were employed by inspection bureaus and were directly doing government inspection work.

Agents, special agents and inspectors, for the most part, obtained B-3 cards. This card entitles the user to buy 57 gallons of gasoline between May 15 and July 1. The other classifications were A for 21 gallons during the period; B-1 for 33 gallons during the period and B-2 for 45 gallons during the period.

Many special agents are not making long jumps by automobile. They travel by train or bus to a point 100 or 200 miles away and work for the week out of a central location. Practices of the past are being modified to cut down the number of agency calls. Where schedules may have been arranged in New England to provide a call once a month on almost every agent, today that schedule may provide for calling upon only the more active agents once each month and the remainder every two months or three months. All agents are being told that where a special agent may not be getting around regularly, he will still try to make himself available for special calls. Where agents are still receiving regular calls, they are being urged to watch carefully to avoid any special calls in addition.

Distances Are Not Great

In all parts of New England except Maine, territories are compact and distances may not be great. Many Connecticut special agents using cars can get home almost every night. This cannot be done in western Massachusetts but is possible in the congested eastern area. It is impossible for those calling upon numerous agents daily in the congested areas to make any large number of calls using any other means of transportation besides a car. Too often it would be necessary to go back to some central terminal in order to make an otherwise short cross country trip. What gas rationing means to most of the men with these compact territories is the necessity of making a careful planning of each day's operations, going by train or bus when most of the day or all of it can be spent in one location, and using the car only when economy of time for transportation becomes necessary.

May Get Additional Cards

It is too early to tell what will be the attitude of the rationing board when the insurance men holders of the B-3 cards appear, beginning early in June, for additional B-3 cards. Some rationing boards have indicated to local agents, both life and fire and casualty, that it will be possible for them to get additional B-3 cards if they show a need for them. Nowhere is there a disposition on the part of the rationing board to give out additional B-3 cards except where the need can be definitely shown. Seemingly it is best to be able to show that need on the basis of previous driving on business. Undoubtedly a man who had not been using his car at all in business, is in a less favorable position to get a preferred rating than the man who has been doing business driving and is able to prove it.

Special agents are also doubling up for their trips. When men can arrange their work satisfactorily so that one man drives his car the first week and his companion drives his own car the second week, it is, of course, possible to

A FIRE PREVENTION PROGRAM

By J. A. HARTWICK

Plant Engineer of Kellogg Switchboard & Supply Company

Profiting by the experience of London and other war-torn European cities, large industrial plants are doing everything possible to make employees conscious of the real dangers of incendiaries. Plants are being organized and employees drilled in fire prevention work to safeguard against panic should bombings occur.

One of the largest manufacturers of switchboards and telephone equipment, the Kellogg Switchboard & Supply Company of Chicago, which has large orders for the U. S. government, appointed as fire marshal for its plant, J. J. Murphy, an ex-battalion chief of the Chicago fire department. A complete fire organization has been worked out and the factory divided into eight fire zones, each zone having its own brigade of five men. In addition to this, there is one general brigade consisting solely of maintenance men who are familiar with the complete Kellogg factory. Then for the night shift there are two brigades—one for each side of the plant. This makes a total of 11 fire brigades for the entire factory. Each zone has a messenger who turns in the alarm and remains at the alarm station until the arrival of the regular brigade.

get twice the mileage out of the gasoline allotment.

It will be possible to get a clearer picture about the total effect upon the work of insurance men when the rationing boards begin to pass on the request for additional B-3 cards. And the decision of the rationing board may well depend largely upon the total supply of gasoline available at that time, rather than upon an appraisal of the importance of the driving to be done.

Those who ask for the additional B-3 cards may be called upon to show evidence from their employers that the extra gasoline is essential to the performance of the employee's work.

There are no hard and fast rules applying to gasoline rationing. No one yet has any clear idea about where any lines are going to be drawn between essential driving and non-essential driving. Today that has been left in the control of each man who drives a car. And in obtaining the gas-rationing cards, there again each person was left to set up his own definition of "need" driving. It is expected that by the time the permanent rationing plan goes into effect July 1, many doubtful points about essential and non-essential driving will be cleared up.

Insurance men, like all other citizens, are very definitely cooperating to cut down their use of gasoline. No longer is there the "taken for granted" jumping into the car to make calls anywhere. Insurance men are cutting out much of their driving and trying to confine themselves to use of gasoline based upon a middle ground definition of essential driving.

PLANS CANCELED ON COAST

SEATTLE—Announcement that gasoline rationing would become effective in Washington and Oregon on June 1, created a wave of anxiety and speculation among local agents and fieldmen as to how seriously their business activities would be curtailed. Then on Monday the rationing plan was as canceled.

H. G. Vien U. S. Attorney

EAST ST. LOUIS, ILL.—H. Grady Vien, well known attorney who has represented various insurance companies for several years, has assumed his new duties as United States District Attorney for the eastern district of Illinois.

He is a son of Alex S. Vien, who was well known as an insurance agent. The Alex S. Vien agency has offices here.

A fire demonstration was staged by the officers of the Chicago Fire Prevention Bureau in the Kellogg company's 70-car garage. It showed the various types of fires and the kind of fire equipment to use to fight each successfully. A model of an incendiary bomb was shown and its makeup and reaction described by these officials. They laid particular stress on the careful handling of such a bomb, pointing out that the usual type of fire-extinguishers will not control an incendiary-bomb blaze; that because of the blaze being due to magnesium, the only means of control is to smother it in sand and then turn a fine spray of water on the sand.

Speedy Evacuation

Through the organization of these fire brigades, the Kellogg plant can be evacuated within two to three minutes in case of emergency. Fire drills for the fire-fighting organization are held twice a week.

Not only is this plan ideal for the duration to guard against fires of incendiary origin; but the experience and training in fire-prevention should tend to make employees more conscious of fire hazards at all times. We believe that if all industrial plants were to adopt similar plans for all time, the loss by fire in the United States, which now runs into the millions of dollars each year, could be very materially decreased.

General Has \$109,000,000 of War Risk Liability, Dent Says at Va. Hearing

RICHMOND, VA.—To determine whether war risk and bombardment rates recently promulgated by the corporation commission are fair, reasonable and adequate the commission held a hearing here last week at which principal witnesses were H. K. Dent, president of General of Seattle, and John Bear, underwriter for the Rhode Island. These two companies have been writing that type of coverage under temporary authorization since the rates were promulgated. The original rates are to remain in effect until further notice or until July 31. The Firemen's group, which had sought authority to write this business at deviations, withdrew its proposal.

Mr. Dent told the commission that his company has been writing war risk and bombardment coverage because the people want it. Writings, he said, have been confined to dwellings and establishments operated by retailers. Net liability on these risks is approximately \$109,000,000. No insurance whatever has been placed on munitions factories or other war industries because of the extreme risk involved. He estimated that he had upward of \$20,000,000 on buildings in New York alone. Business is being written in selected risks in practically all parts of the country.

Mr. Bear, in explaining the background of the situation, said that his company had considerably less volume than General. The company's reason for entering the field was substantially the same as General's.

SIGNIFICANCE OF MOVE

The fact that Firemen's withdrew its filing in Virginia for war risk insurance is interpreted in some quarters to mean that the Firemen's group is discontinuing the writing of this business nationwide and will take a participation in the setup of the War Damage Corporation. Under the agreement between the insurance company and the WDC, there is a provision that the insurance company will not on its own account write insurance of the type that is provided under the War Damage Corporation contract.

Incidentally, it is understood that the insurance of the WDC is to be excess of any similar insurance written elsewhere.

Earlier Season for Hail Cover; Premiums Are Up

Hail insurance premiums exceed those of last year at the same time by 15 to 60 percent, according to hail men, but this is due largely to the fact that wheat in the west and middle west is coming along considerably earlier this season than in 1941. Hail men believe there will be more premiums this year than last, possibly as much as 30 percent more, but it is expected to come principally from the middle west on corn and soybeans.

About 10 percent of the increase in premiums so far is due to more business written, it is said. One company operating in the middle west and south west, which has 60 percent more premiums than on the same date last year, reports that the business from Oklahoma, Kansas, Nebraska and Minnesota shows about the same liability per acre and about the same number of policies. A little heavier premium is coming in from western Nebraska. About two-thirds of its potential already has been written in Kansas, 98 percent in Oklahoma, 50 percent in Nebraska, and probably three-fourths in Minnesota.

Texas Wheat Situation

Bugs have materially held down the wheat crop in Texas except in the north and west, and the companies are not getting much business out of that state. They are just as glad since the experience last year was extremely bad, losses running well over 100 percent of the premium.

Corn hasn't started coming along yet, and in the Dakotas, where most of the wheat is the spring variety, there has been little hail business written up to date.

One reason hail men expect a larger premium volume this year is that the farmers last year had good crops and received good prices for them so that they are in better shape financially. Also, 1941 was a hail season when losses were numerous, impressing farmers with the need of the protection.

The report on cotton and tobacco in the southeast is that crops there are good and the demand for hail insurance is brisk, more so than a year ago.

It appears now that unless something very unusual happens prices will be good again this year for all crops. Conditions generally are as good as at any time in the last 10 years. Rainfall has been adequate in most sections, and there is an abundant supply of subsoil moisture. One characteristic of the season in some areas, including North Dakota, Minnesota, Iowa, South Dakota, Kentucky, and Illinois is cool weather which has retarded some crops such as corn. While corn is a little late, wheat has been exceptionally early. The current report is that the progress of winter wheat is excellent in Nebraska, Kansas, Montana and Oklahoma. There is some green bug and fly damage and leaf rust in Kansas and Oklahoma.

U. S. Introduces 3-Year Crop Cover

The U. S. Department of Agriculture has introduced a deferred payment plan for the new three-year crop insurance contract offered wheat growers under the government crop insurance program. Payment of the premium in annual installments, usually about harvest time, will be permitted, obviating the need for an immediate cash outlay for the entire insurance period when the contract is signed.

Ralph B. Innis, Kansas City local agent, has announced as a candidate for the Republican nomination for Congress in the district now represented by "Joe" Shannon, Missouri Democratic boss.

F.C.A.B. Officers Are Reelected

NEW YORK—All former officers of the Fire Companies' Adjustment Bureau, together with members of the board whose terms expired, were reelected at the annual meeting here Tuesday. President is P. L. Haid; vice-president, Harold Warner, U. S. manager Royal-Liverpool; treasurer, N. B. Bassett; secretary, W. E. Hill.

Directors for the three year term are: J. R. Cooney, president Firemen's; Mr. Haid; T. J. Irvine, U. S. manager Phoenix Assurance; W. H. Koop, president Great American; Frank D. Layton, president National; George C. Long, Jr., president Phoenix of Hartford; W. Ross McCain, president Aetna Fire; John M. Thomas, president National Union; F. E. Potter, vice-president Home and Mr. Warner.

G. W. Lilly is general manager and R. G. Bachman, assistant manager.

Appraisal Work O.K. but Public Adjusting Violates Laws, R. I. Court Holds

In the Rhode Island Bar Association vs. Lesser, doing business as the Rhode Island Fire Loss Appraisal Bureau, the Rhode Island supreme court held that when Lesser entered negotiations with insurers to adjust and settle losses, he is engaged in the practice of law in violation of chapter 612, section 43, general laws of Rhode Island, 1938. Lesser operated the Rhode Island Fire Loss Appraisal Bureau.

The supreme court upheld the lower court verdict under which Lesser's adjustment of losses was enjoined, but his appraisal work was found not to come exclusively within the practice of law and that he therefore had a right to continue it.

It was alleged that Lesser represented to the public generally that he was qualified to make appraisals and adjustments of claims for losses under fire policies and to obtain a better adjustment than assured could otherwise get. He solicited the adjustment of fire losses from the public and actually represented persons in negotiating and making settlements. His contracts for compensation for such services were based upon a percentage of the amount ultimately paid by the insurer, usually 10 percent.

Represented Assured in Negotiations

The evidence showed, the court said, that Lesser induced assured to sign a printed "appraisal service contract," calling for Lesser to make an appraisal and an itemized schedule of valuation of damaged property as it was before and after the fire and turn over the completed schedule of appraisal to assured. Then Lesser would take the policies, where available, make his inventory and appraisal, get in touch with insurer or its adjuster, and represent assured in substantially all of the various negotiations and dealings. According to witnesses, Lesser did not deliver to assured a completed inventory and appraisal, as called for by the contract. Lesser claimed he retired from the negotiations after his appraisal was completed, but evidence showed that this was not true. Generally Lesser got assured to execute an assignment to protect his fee.

Railway Warehouse Fire Causes \$250,000 Loss

The Burnside warehouse of the Illinois Central railroad at 95th street and Cottage Grove avenue, Chicago, burned this week with an insurance loss of \$250,000. The entire structure and its contents were destroyed except materials in the basement. The loss considerably exceeded the insurance coverage.

The warehouse contained general railway stores, such as parts for pas-

senger cars, seating materials, Diesel engine parts, paint, oil, rubber, etc. A nearby ordnance department warehouse was imperiled but was saved. An engine crew hooked a locomotive to a loaded gasoline tank car and pulled it away from alongside the railway warehouse. Cause of the fire was undetermined.

New Adjusters Group Formed

TORONTO—The Quebec Insurance Adjusters Association has been formed. Officers are: President, E. Faille; vice-president, H. F. McDonald; treasurer, Thomas Duffy; secretary, H. F. Valois; directors, C. H. Turner, P. McDermott and R. A. Chauvin.

Moberg Stuyvesant Secretary

Frank E. Moberg, previously assistant secretary of National Fire & Marine, has been appointed secretary of Stuyvesant, in succession to C. A. Siedel, resigned.

"MANY a man's success begins when he first asks himself questions."

Have you seen the **Insurance Buyers' Digest**? Leading agents are mailing it out every month to stimulate business. Write The National Underwriter for sample.

London Fire Watchers Go Into Reverse

NEW YORK—In spite of more fire stations, enlargement of personnel, nationalization of the fire brigade, and tens of thousands of fire watchers, the number of fires, other than those caused by enemy action, has shown no material decrease since the war began, the "Insurance Mail" of London asserts. Official figures on the number of fires in the London area are: March, 1937, 978; March, 1938, 984; March, 1942, 943. This is despite closed shops, wrecked houses, and the evacuation of a considerable percentage of the population, it is pointed out.

Fire watchers, through carelessness in dropping matches and cigaret butts, start fires, it is stated. "We look upon fire-watching as a curse," one official is quoted as saying. "During the present lull in bombing, fire watchers are causing more fires than they are putting out."

Toronto Accountants Elect

G. E. Hatton has been reelected president of the Toronto chapter Canadian Insurance Accountants Association. Vice-president is E. M. Jacques; secre-

tary, Charles George, and treasurer, A. M. Dougall.

Madeira on Franklin Board

Percy C. Madeira, Jr., president of the Land Title Bank & Trust Company of Philadelphia, has been elected a director of Franklin Fire.

Bankers & Shippers has paid a quarterly dividend of \$1, which is less by 25 cents than the scale that has been paid in recent years.

The Cook County Field Club at its meeting in Chicago Monday was shown sound films pertaining to Sun Valley sponsored by the Union Pacific Railroad.

Coleman Cox said that he never had a man whisper anything to him that was worth listening to. By that he means that we should be outspoken in what we believe. A man should not be ashamed to express his honest opinion but he may have to do so in diplomatic terms. The soft pedaling process gets one nowhere. A whispering campaign is never constructive.

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

SHE WON'T TALK!

Will You?

THE ENEMY HAS EARS

WE hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

Copies of this poster, size 9 x 12 inches, will be furnished any insurance agent for window display

purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.



INSURANCE MEN CALLED TO SERVICE

Donald O. Nelson, adjuster in Chicago for Home, reported Monday at Great Lakes Naval Training Station, having received a commission as lieutenant, junior grade, in the Naval Reserve.

E. G. Welchman, president of the Harold S. Dana agency of Woodstock, Vt., has been commissioned a captain in the army air corps and has reported for duty in Washington.

Brooke Savage, local agent at Redlands, Cal., and a director of the California Association of Insurance Agents, has been called into service as a major in the army signal corps.

Charles R. Sackett of the Sackett & Salmon agency, Indianapolis, has been commissioned captain in the army air corps and is now stationed at Miami Beach, Fla. Mr. Sackett, president of Sackett & Salmon, was a flyer in the first world war. The agency will be carried on by S. Albert Salmon.

Arthur P. Smith, Jr., special agent of Great American at Dallas, has been called to the colors. He is the son of Arthur P. Smith, prominent local agent of Minneapolis.

John E. Lawson, formerly with the Hartson agency, New Orleans, who entered the army last year as a private, has been commissioned a second lieutenant.

Rauland P. Smith, treasurer of the Walter F. Smith & Co. agency of Trenton, N. J., is a lieutenant, connected with the Navy Research Laboratories in Washington.

Budd G. Brown, who has been a special agent in Indiana for Marine Office of America, has entered naval service as an ensign. He has been temporarily assigned for instruction purposes to the University of Notre Dame.

Homer Hyatt, who has been connected with Chase Conover & Co., insurance actuaries and consultants of Chicago for the past five years, has entered the Navy as lieutenant commander in the supervisory costs division with headquarters in Chicago.

Donald B. Oakland, who has been in charge of the bond department of George Herrmann & Co., Chicago, is now a lieutenant in the navy. He is temporarily located in Chicago. He is a son-in-law of Valentine M. Herrmann, president of the agency.

Donald R. Luckham, administrative assistant to Commissioner Caminetti of California, has been called into active service in the navy, with the rank of lieutenant, junior grade.

Shirley B. Lawrence, Kentucky special agent of Camden Fire, working with his father E. T. Lawrence, state agent, has received a commission as second lieutenant in the army air force administrative division.

Lloyd W. Nickerson, formerly Spokane, Wash., manager of Gould & Gould general agency, has been promoted to major in the marine corps.

Robert F. Thompson, son of Stuart G. Thompson, well-known Seattle general agent, received an ensign's commission in the navy and a few days later was married to Miss Gloria Pierce of Olympia, Wash. The Thompsons have two other sons in the service. Stuart, Jr., is in the army and Don an aviator in the army air corps.

Eugene Bingham, secretary-treasurer Percy Agency, Baton Rouge, La., has been commissioned a captain in the army air corps. He reports to Keesler Field, Biloxi, Miss.

John H. Gidiere, assistant municipal engineer Louisiana Rating & Fire Prevention Bureau, has been commissioned a lieutenant in the coast guard reserve.

Lawrence E. Gilbert, formerly with American International Underwriters, S.A., of Havana, and son of Vice-president A. E. Gilbert of Hanover Fire, is now a lieutenant, junior grade, in the naval reserve and has been made assistant naval attaché and U. S. naval liaison officer at Antofagasta, Chile. He was commissioned as an ensign last December and flew to Chile.

William O. Schilling, Jr., formerly district supervisor in Chicago for United States Fidelity & Guaranty and son of the Chicago manager of that company, is home from the army on leave. He has just been commissioned as second lieutenant in the infantry school at Fort Benning, Ga. His new assignment is at Camp McClellan.

Major Adrian H. Lindsay, formerly connected in Kansas with Kansas City Fire & Marine, has been made assistant to the chief of staff of the 4th army and western defense command, Presidio, San Francisco. He was in the first world war.

Max M. Adelman, East St. Louis, Ill., local agent, is now in the army at Camp Crowder, Mo. He has won something of a reputation as a baker since joining the army. His preliminary training period was at Fort Riley, Kan.

William W. Jewett, son of Stanley Jewett, senior member of Jewett, Barton, Leavy & Kern, Portland, Ore., has joined the marine corps. He was connected with the Seyler-Day Company agency in Los Angeles. Prior to that he was with the Phil Grossmayer Company, Portland general agency of Travelers.

Lieut. Standish Hall, navy liaison officer for Kansas and former Wichita agent, has been appointed contact officer for naval officer procurement for Kansas with headquarters in Topeka.

Robert Bauerle, son of L. W. Bauerle, Wichita agent, has been called into military service and is stationed at Camp Selby, Miss.

Joseph P. Ryan, who has been in charge of the automobile department and Cook county counter in the Chicago office of Crum & Forster, enlisted in the navy and reported for active duty Tuesday at Great Lakes Naval Training Station. He has been with Crum & Forster in Chicago for 15 years.

Walter D. Baker, Jr., son of Walter D. Baker, Colorado Springs, Colo., agent, is stationed with the 97th bombardment squadron at Sarasota, Fla.

W. F. Prindle, Jr., son of W. F. Prindle, Colorado Springs agent, is stationed at Maxwell field in Alabama.

Two more Seattle field men have entered the service. **H. H. Bartlett**, St. Paul, has been commissioned a lieutenant, junior grade, in the coast guard and is stationed in Seattle in connection with inspection duties. **J. M. Kellum**, California-Commercial Union group, has been granted a leave by his companies to serve as a war department inspector at the Boeing airplane plant in Seattle.

Richard M. Becker of the liquidation department of the Los Angeles office of the California department has been called into service and has reported as a first lieutenant in the army air corps. He has been in charge of operations of Guaranty Union Mutual Life, chapter 9 company now being operated under a conservatorship by Commissioner Caminetti.

Harold D. Dyke, former casualty manager of Travelers at Syracuse, has been called to service in the army as lieutenant-colonel, stationed at Camp Forrest, Tenn. A reserve officer, Col. Dyke was a captain of infantry in the last war. He has been granted a leave of absence. He joined Travelers in 1915 as field assistant at Syracuse, later serving at Rochester and Indianapolis. In 1920 he was named casualty manager at Atlanta and manager at Syracuse in 1923.

William S. Chandler, assistant secretary of Phoenix of Hartford, has been commissioned a first lieutenant in the Army air corps and has reported for

duty at Randolph Field, Tex. He has been assigned to the Army air intelligence force. He was given a farewell party by the officers of Phoenix. He joined Phoenix in 1929 as marine special agent and in 1936 was named general agent supervising underwriting in New England, the Atlantic and southern states. In 1940 he was elected an assistant secretary.

Warren G. Harris, head of a Millbury, Mass., agency and president of Kiwanis there, has enlisted in the army and reported to Fort Devens.

Harold C. Davis, secretary of New York Underwriters, has received a commission as captain in the corps of engineers of the Army. He is to report at Ft. Bevoir, Va., June 15. He was a lieutenant in the engineers corps in the first war, then became connected with the Underwriters Bureau of the Middle & Southern States. Three years later he joined the special risk department of New York Underwriters and subsequently served as state agent in Ohio, executive special agent, assistant secretary and secretary.

Wayne Garnett, actuary for the past year of the Michigan department, has resigned to enter the Army. He will be succeeded by Carl Wayne Solenberger, who has been in the actuarial department of American United Life. Mr. Garnett has already assumed his duties as assistant statistician for air corps material at Dayton, O.

W. John Stiteler, Jr., president of Coal Operators Casualty of Pittsburgh, has been commissioned a major in the Army air corps. He will be stationed at Middletown, Pa. Mr. Stiteler was in the service during the last war. He has served as post commander of the American Legion at Harrisburg.

Riordan Heads New York Insurance Society

NEW YORK—Officers and directors elected at the annual meeting of the Insurance Society of New York Tuesday are:

President, William A. Riordan, assistant general manager Aetna Life companies; vice-presidents, David C. Beebe, president United States Aviation Underwriters; Archibald J. Smith, president Zweig, Smith & Company; secretary, Edward R. Hardy, secretary Insurance Institute of America; treasurer, Frank F. Koehle.

Directors, Francis O. Affeld, Jr., Affeld, Sowers & Herrick; Henry Collins, U. S. manager Ocean Accident; Clement L. Despard, president Despard & Company; Joseph J. Magrath, Chubb & Son; Earle W. Murray, vice-president Appleton & Cox; Harold Junker, vice-president Crum & Forster.

Shift Hardware Mutual Managers

ATLANTA—After a year's absence Lee D. Davis has resumed his former position as southern manager of Federated Hardware Mutuals. He had in the interim been manager of the central department headquarters at the home office in Owatonna, Minn. E. C. Ellis, who succeeded Mr. Davis as southern manager, now succeeds him as manager of the central department.

Globe & Rutgers Promotions

Richard Schaff has been elected controller of Globe & Rutgers and Joseph W. Doran has been elected assistant secretary.

Trimble P. Davis of Fargo, N. D., state agent of Phoenix of Hartford, who was confined in St. John's hospital for about 10 days, has been released and is convalescing.

Have you seen the **Insurance Buyers' Digest**? Leading agents are mailing it out every month to stimulate business. Write The National Underwriter for sample.

COMPANIES

Royal Exchange Home Office Report

The home office report of the Royal Exchange shows an increase in premiums of £341,000. The fire premiums last year were £1,635,757, as compared with £1,504,084 the year before; accident £1,210,253 as compared with £1,078,304 and marine £574,977 as compared with £497,658. The Royal Exchange has eight affiliates: Motor Union, Car & General, State of England, British Equitable, Local Government Guarantee, National Provincial, United British, Provident Fire of New Hampshire. The associated companies had a larger premium increase in all branches which totaled £533,000. They had £1,282,522 in fire premiums, £3,428,358 accident, £594,764 marine. The group total premiums were £8,726,631 as against £7,853,002. The fire account was brought down to a bare margin of profit in 1940 by an increase of 12.6 percent in the ratio of claim reserves on a 4.2 percent increase in premium income. Last year with a claim reserve maintained at a higher ratio on an 8.7 percent increase in premium income, the account recovered to a profit of 6.1 percent, the loss ratio being 46.3 and the expense ratio 47.6. In 1940, there was a large profit of 12.2 percent in the accident account. This was brought out on a reduction of 6.35 percent in the ratio of claims reserves. The loss ratio was 45.82 percent, commissions 18.71 percent, expenses 21.28 percent, claim reserve 41.03 percent.

The consolidated fire and accident account gives a profit of 6.4 percent on claims of 48 percent and expense ratio 45.6 percent.

The marine account shows a margin of £185,275 in the year's premiums which against an increase of £77,319 in premium income indicates a profitable condition. The last two years show an underwriting loss of 11.1 percent in the marine business.

Morsman Named President of National Security

OMAHA—Edgar M. Morsman, 3rd, attorney and director of National Security, was elected president at the annual meeting, succeeding the late W. B. T. Belt.

New directors elected are: James L. Paxton, Jr., Gilbert C. Swanson and Carl H. Brinkmann, all of Omaha; reelected, I. W. Carpenter, Jr., H. M. Bushnell, W. D. Hosford, Ford E. Hovey, A. A. Lowman, Mr. Morsman, A. L. Reed, R. H. Petefish, all of Omaha; J. D. Winsor, Jr., Clarence M. Brown and Benjamin Rush of the North America, with which the company is affiliated.

Mr. Morsman had been a director of National Security for several years and in February was named chairman. He is a graduate of Princeton.

Hatch Excelsior Director

Harold W. Hatch, president of the W. L. Hatch agency of New Britain, Conn., has been elected a director of Excelsior of Syracuse to fill the place left vacant by the death of Edwin J. Cole of Fall River, Mass.

As director in the Excelsior Insurance Company, Mr. Hatch will represent Excelsior agents in part of Connecticut and part of Massachusetts on the Excelsior's board. Other New England agents on the Excelsior board are Charles Hadley Watkins of Boston, and Donald G. North of New Haven, Conn., who is now a captain in the United States Air Force.

The **Quaker City Fire & Marine** has been admitted to Virginia.

Unity Is Keynote of Texas Agents Annual Parley

(CONTINUED FROM PAGE 5)

simply inviting trouble from investigative sources, to ignore which will be fatal."

Mr. Gambrell pointed out that there is a great need in the industry today for unity. That is because the business does not belong to the local agent, local board, or company—its ownership is vested in the public. During the past year, largely as a result of the commission situation, the Association of Texas

members: C. D. Molloy, Jacksonville, and Charles Tucker of Dallas. Another resolution recommended that each member of the association wholeheartedly protect the business of agents entering service.

F. W. Westervelt Speaks

Fred W. Westervelt, assistant director Business Development Office, in his talk on "Help Yourself," said the organization was formed to help meet competition from non-stock insurance, but the character of the work done has changed. This change has converted the office into a research organization seeking to aid the agent in selling what he has. The agent must find out what he has to sell and then learn how to sell it. The solution of problems in the business comes from agents, he said. Many insurance men are being called into service, he said, and girls in the offices now are the backbone of the agencies. He urged that the girls be informed and trained in meeting situations which arise.

O. P. Lockhart, Austin, chairman of the Texas board of insurance commissioners, stated that he and the insurance men of all fields will be derelict in their duty if they fail to work toward improvement of insurance and the lowering of cost so far as this may be done without lowering the quality of the service rendered.

Louis Phillips, editor American Insurer, New Orleans, spoke briefly.

Bevan Comments on Committee

One of the big jobs of the casualty and surety committee of the Texas association, headed by Albert H. Bevan, was to get the War department plan adopted in that state on a basis which the agents thought favorable. The committee was able to get the plan changed so that the adviser would have to be a regular licensed insurance agent in the state. However, the committee was unable to get the plan altered to avoid payment of premiums direct to the companies by the war department.

President Walter S. Grothaus of the San Antonio Board, called the convention to order and welcomed agents.

The nominating committee was headed by R. W. Thompson, Dallas; resolutions, Roy Montgomery, Houston, and by-laws committee, Al DeViney, Austin.

Winners of attendance prizes were Miss Mabel Bodden, J. W. Armstrong Agency, Taylor; L. C. Beery, San Antonio, and Wm. H. Cullen, special agent, Commercial Union Fire, San Antonio.

Association members and guests were given a luncheon by San Antonio general agents. H. L. Davis, H. L. Davis & Company general agency, was toastmaster. There was a special ladies luncheon. The evening of May 22 agents attended a Mexican dinner and entertainment at Plaza Juarez. Directors, past presidents, and officers of the association were guests of the San Antonio Insurance Exchange at a dinner.

Members of the Texas, south Texas, and Alamo ponds attended a dinner May 21. The heads of the ponds were recognized and made brief talks.

As an American citizen the insurance man today must do all he can on the home front to help win the war, Edward

C. Stone, U. S. general manager and attorney of Employers Liability, said. As an agent, he has the special job of doing everything he can to prevent accident and material loss. He must also relieve assured, who are producing the materials of war, of the worries that accompany lack of insurance.

Mr. Stone suggested that if assured by better attention to accident prevention help the insurance people secure a better loss ratio, some of the savings should be passed back to them. Companies, agents and brokers should work together along these lines.

Wellington Potter's Talk

Wellington Potter, Rochester, N. Y., vigorously presented the stock insurance vs. mutual issue in his talk, "Your Uncle's Wearing War Paint." Mr. Potter made his presentation in two parts, one on Friday and one on Saturday, and presented a mass of material to back up his arguments.

He outlined a program of action. The first step should be a realization by stock companies and their agents of the present complexion of the problem. The right of others to a reasonable profit on all purchases must be recognized and insisted upon throughout the entire stock insurance structure.

The business must adopt modern sales technique with contributions of material and ideas by companies and agents, he said. This material must be based upon principles. All reference to individuals and non-stock companies should be eliminated. It would side track time-worn arguments, paper salesmanship, useless pep campaigns based on birthdays and anniversaries of home office executives. Actual sales interviews should be recited, illustrations should be used to prove community of interest between stock insurance and all other types of business, and sales arguments and principles of other industries in their effort to uphold the profit motive and eliminate unfair competitions should be reproduced.

A central bureau for receiving and distributing information and effective ammunition should be set up, he declared. Free entertainment at state and National

association meetings should be eliminated and the money spent on a national radio hook-up to bring stock insurance message into every home.

MRS. HARTMAN'S TALK

Mrs. Sally Hartman of Fort Worth, advertising manager of Commercial Standard of that city, spoke on "The Girls in Your Office." She said there are four insurance women's clubs in Texas, the first to be organized being in Dallas in 1924. It is the second oldest organi-



D. G. FOREMAN

zation of the kind in the country, the oldest being at Nashville, which was established in 1923. The other three clubs are Houston, Ft. Worth and Abilene.

Mrs. Hartman told about the National Association of Insurance Women, started in Denver two years ago. There were women from 19 different clubs present. The second meeting was in Nashville last June with 35 clubs registered. In St. Paul next month it is estimated that more than 50 clubs with a total membership of about 3,800 will be represented. One of the objects of the



ERIC C. GAMBRELL

Fire & Casualty Executives was formed of Texas companies, and recently it was joined by the Texas Association of Insurance General Agents. These and the agents' groups now give the industry full representation in all phases of its operations.

Mr. Gambrell paid tribute to the aid the field men have rendered to the agents and their organization, and suggested that the third week in June be set aside annually as field men's week as a tribute. During this week, he suggested, the usual courtesies extended to local agencies by field men should be reversed and the agents will do the honors. A resolution to this effect was passed.

Membership at High Point

Membership in the association is at its highest point and despite heavy expenses a working surplus is being passed on to the incoming administration, he said. The 13 educational meetings held during the year had a total attendance, including agents and field men, of 706.

D. G. Foreman, executive secretary, was one of the important cogs in the convention machinery, and much of its success is due to his activities.

The association amended its by-laws so that instead of having regional vice-presidents to handle the regional meetings, regional chairmen will be named. Another amendment authorizes the board of directors, in the event an emergency prevents the annual meeting, to conduct the business of the association.

Sympathy was expressed in a resolution to the families of two deceased

MARINE INSURANCE

In All Its Branches

WRITTEN IN DEPENDABLE STOCK COMPANIES

By a Strictly MARINE General Agency

FRANK RIMMER, GENERAL AGENT

KIRBY BUILDING
DALLAS, TEXAS

BANKERS MORTGAGE BLDG.
HOUSTON, TEXAS

AMERICAN INDEMNITY COMPANY

GALVESTON

AUTOMOBILE • FIRE • TORNADO • BONDS • BURGLARY • PLATE GLASS • GENERAL LIABILITY

Capital \$1,000,000.00

Texas' Oldest Stock Company

J. F. SEINSHEIMER, President

C. S. KUHN, Vice President and Secretary

CONOVER HARTIN, Treasurer

local women's club is to promote acquaintance and better understanding among insurance women. She said that in the club relationships all may rest assured that they are not being used to hand out information of an unethical nature. Office girls, she said, do not divulge trade secrets. The primary purpose of these organizations, she explained, is to make the women more competent and, therefore, a greater asset to their offices. Another object is to conduct educational work along insurance lines.

Mrs. Hartman said the women take their responsibilities seriously because they know that the employers' time should be largely free for selling insurance. She said the problems and complexities of wartime insurance intensify the need of training and study for both the men and the women in the business. The educational committee of the National Association of Insurance Women for the past two years has been keeping in close touch with Educational Director George W. Scott of the National Association of Insurance Agents. More and more responsibility, she added, will be placed on women on account of current conditions.

North Strongly Urges Unity

The war emergency has brought the need for all-industry unity into sharp focus, David A. North, vice-president National association, asserted. The problems of government control and public opinion have never been greater than now. Companies and producers are being pressed on every side by those who have a new philosophy of business enterprise which threatens the very existence of established institutions. Insurance people must rise above the differences which have encompassed their several subdivisions so that they can achieve a common goal.

In the development of war damage cover, at one point companies and agents appeared to be at odds. Each group thought the other ought to be in the line doing the heavy work while it did the signal calling and carry the ball. The solution in a situation of that kind, he observed, is to call the entire team into a huddle where no one gets the glory but where a scoring play is conceived.

Failure to get into a huddle also characterized the agents' and companies' approach to the subject of graduated commissions and expenses in casualty insurance rating.

On the other side of the ledger are numerous examples of company-agency unity. Among them are the development of the National association educational program with which the National Board and the Association of Casualty & Surety Executives are associated; the American College of Property and Liability Underwriters, and the recent agreement between the executive committee and the National association and representatives of the casualty companies on revisions of the countersignature agreement.

In deliberating with company management, agents do not automatically subordinate their rights or become submissive to the ideas of other groups. There is no retreat from their rights in the business as producers. There must be a recognition of the prerogatives of others as well as absence of acrimony and antagonism. With such a relationship, unity and harmony will prevail, and the industry as a whole will go forward.

TEXAS NOTES

Ed M. Polk of Corsicana and William L. Stiles of San Antonio are the only two charter members of the Texas association still living and both were in attendance. Mr. Polk, after 44 years of consecutive attendance, missed the convention a year ago, and this year claims he is starting on his second 44 consecutive years. Although Mr. Stiles' attendance record is not quite equal to that of Mr. Polk, he has missed few of the conventions since the association was organized.



A new war hazard has developed with the construction of air raid shelters. This Los Angeles home owner was enlarging an old cellar to use as a bomb shelter and a heavy rain undermined the supports, causing the house to fall into its own basement.

ized. Mr. Stiles recalls the rate war on April 18, 1906, when within twelve hours his firm, Piper & Stiles, wrote itself out of business. It wrote practically all the available business under three-year policies.

At the close of the convention, Shelby Green, executive vice-president of Insurers Indemnity, flew to Corpus Christi to spend a few hours with his son, who is a naval cadet at the training station there, and then planned to fly back to Tulsa to attend the Oklahoma agents' convention.

Due to a couple of wrecks, a number of Dallas representatives were late in arriving. Their night train was several hours late leaving Dallas and then was held up at Austin by another wreck, and several secured a taxi to drive to San Antonio in time to be there for the luncheon Friday noon.

Among the companies and general agents that had open house were the following: Springfield F. & M.; Texas General Agency; Floyd West & Co.; Insurers Indemnity; Fidelity & Deposit and American Bonding; Houston Fire & Casualty; T. A. Manning & Sons; Richard Wray; Coffman, Dally & Aldridge; Firemen's; American Surety and New York Casualty; Maryland Casualty, and Central Surety.

Thursday night the San Antonio Insurance Exchange gave a complimentary dinner to the officers, directors, and past presidents of the Texas Association and Exchange officers, and their ladies, in the Pan American room at the Gunter Hotel.

Preceding this dinner Commercial Standard gave a cocktail party to the same group, including the three Texas commissioners. This was a delightful affair and President J. R. Plummer acted as principal host in his usual cordial manner. Upon leaving each of the guests was presented with a copy of the saga of Judge Roy Bean, "Law West of the Pecos."

On Thursday evening there was an informal dinner for all members of the Blue Goose attending the convention, held under the auspices of the Alamo Pond.

M. H. Grannatt, assistant United States manager of the Royal-Liverpool group, was a guest of Percy Marshall, for thirty years state agent of the group in Dallas.

President Eric Gambrell was on the air for fifteen minutes late Friday afternoon, the Gunter Hotel contributing the time.

The San Antonio Insurance Exchange maintained its record as being exceptional convention hosts, and special credit should go to General Chairman Walter Grothaus, Vice-chairman Frank M. Coleman, Convention Secretary F. F. Ludolph, Entertainment Chairman Frank C. Gittinger, Registration Chairman Evans Fitch, Hotel Chairman O. J. Van Horn, Automobile Chairman Frank M. Coleman, and Publicity Chairman Ken-

neth C. Perry, together with Mrs. P. K. Dunbar, chairman of the ladies committee.

The very attractive programs were furnished with the compliments of the Southwestern department of the Fire Companies' Adjustment Bureau, at Dallas. T. C. McCurdy is general manager, and J. F. Mazza assistant general manager.

The appearance of Wellington (Duke) Potter of Rochester on the program was sponsored by American General, American Indemnity, Commercial Standard, Gulf, Republic, Security National Fire, Traders & General, and the Trinity Universal.

Eric Gambrell proved himself to be a fine presiding officer and conducted the meetings in an exceptionally efficient manner.

Executive Secretary Drex Foreman again proved his worth by always being present to assist anyone needing a helpful hand in the way of information, etc.

The official registration was 617, while the paid membership was announced as 1,222, which is the largest paid membership in the history of the association.

Oklahoma Agents Feel Optimistic as to Future

(CONTINUED FROM PAGE 5)

for use in other communities.

Mr. Daniel took a sober view of the effect of war on the insurance business. When defense projects are completed there will be a sharp decline in premium income, he predicted. Insurance is in the non-essential class, and the agents cannot hope for "business as usual." The automobile and luxury class of business will suffer first, and other insurance will be carefully bought with unusual consideration given to cost. Agents should anticipate this change and make preparations to meet it.

The association has shown a decline of 20 members since last May, Mr. Daniel said. He recommended a paid secretary in order to keep membership at a high point. During these times agents who hold association office cannot afford to spend as much time as in the past on such activities.

Mr. Daniel paid tribute to J. Stewart Pearce, resident vice-president of Massachusetts Bonding in Chicago, who died there recently. Mr. Pearce was always active in Oklahoma Association affairs and had done much to promote its interests.

Paul Sisk, president of the Tulsa Board, turned his welcoming address into an optimistic sales lecture, and David R. Milsten, a representative of the office of civilian defense, challenged the

insurance men to take an important part in the civilian defense program.

As national councillor, Guy M. Landes of Tulsa, the new president of the association, brought the membership up to date on the war damage insurance program. Mrs. Naomi Vickers of Tulsa outlined the increasing importance of women in agency offices.

E. R. Ledbetter, Oklahoma City, discussed handling business of local agents who have been called to war.

Frederick W. Doremus, western manager of the American of Newark, Rockford, Ill., gave a highly informative sales discussion. He declared that if an agent gets most of his business because his customers are his personal friends, or are his relatives, or for political reasons, then there is something wrong with the agency.

An agency should get business because it knows its business; it has taught its customers how to buy various types of protection; it has been honest; it represents only the best companies; and it is not a two price shop, he said. If the agency does not square with these five factors, there is trouble ahead. One of the best business builders is to isolate every policyholder for special attention, and then make systematic calls on this list, he said.

Other Speakers on Program

David A. North of New Haven, vice-president of the National association, made a stirring appeal for unity in the business in facing its common enemies and achieving its common objectives. While agents and companies are united on some issues, on others they have been apart to the detriment of business, he said. Wellington (Duke) Potter, Rochester, N. Y., discussed the fight for the profit motive in insurance and the business world.

Addresses were given by C. H. Froehle of the First Bancredit Corporation; Addison Sessions, Okmulgee, who reported on the Oklahoma insurance institute, and Commissioner Read.

In the question bee handled by Claiborne W. Davis of Tulsa several company men participated. In this group were W. H. Crawford, American General Agency, Tulsa; J. W. Hartney, Royal-Liverpool, for fire; A. M. McKinn, Aetna Casualty, Tulsa, and J. F. Murphy, Central Surety, for casualty; Virgil B. Hooks, Jr., Phoenix of Hartford, inland marine, and George P. Wingo, National Surety, Oklahoma City, bonds. Members were given \$2 in war stamps by President Daniel if they successfully stumped the experts.

Mr. Ledbetter headed the nominating committee, W. F. Stahl of Tulsa, resolutions.

The banquet Monday night was featured by the showing of British war films.

Canadian War Damage Plan

The banking and commerce committee of the Canadian House of Commons Tuesday approved the government's war damage insurance bill with a few amendments. Auguste Lemieux, official agent for Quebec in Ottawa, entered protest against the provision that only Dominion licensed insurance companies might participate in the administration of the program for the government. He said that many companies licensed provincially in Quebec desire to take place in the scheme.

Dominion Superintendent Finlayson stated that the idea was to have the insurance plan handled by reliable, strong and solvent companies and that he could speak only for companies with a Dominion license.

Boyd Is Muller Vice-president

BOSTON—Robert M. Boyd, for some years secretary of William A. Muller & Co., Boston, has been elected vice-president. He has been with the Muller office about 35 years, having general supervision of fire insurance underwriting and production.

Increase your accident sales with ideas from the Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

Glimpse of War Damage Setup Is Given

(CONTINUED FROM PAGE 3)

a total of \$100,000,000. This insurance by announcement covered only tangible land risks, not ocean marine or accounts receivable or other evidences of debt. The original authorization was later increased to \$1,000,000,000 with the provision that the free coverage should continue to a date not later than July 1.

This action gave the insurance industry and government officials time to work out ways and means of handling the problem on a sound basis.

The committee carefully studied plans that were adopted in England and elsewhere but for several reasons they could not be adopted in this country. One reason why the British plan could not be adopted was that the U. S. Attorney General held that the property owners could not be compelled to carry this coverage.

Many Revisions

Committee members time and again thought that they had arrived at a solution only to discover some new condition that necessitated further revision. Some of the paragraphs in the documents were revised as much as 15 or 20 times.

The statement has been made that the damage done in England up to the end of 1941 totaled about \$800,000,000 and that compulsory assessment of all property owners of about 4½ percent on the ratable value of all property would provide a fund sufficient to rebuild and replace. Mr. Freeman said it is reasonable to assume that the experience in this country would be much better.

Wanted "Stop Loss" Scheme

Mr. Freeman said that originally he personally hoped that the government would be willing to issue to all insurance companies a form of "stop loss" reinsurance contract which would enable the insurers to give the policyholder complete war risk protection but which would limit the total loss the insurance company would be called upon to pay during the war. Others felt, however, that the insurance business might thus find itself after a major bombardment entirely in the hands of the government. It seemed better, therefore, to aid the government authorities in the development of a plan of its own that would not involve the assets of the private insurers.

It is this plan which is in process of being adopted. The only difference is that the companies have agreed to take a limited participation viz., 10 percent or \$20,000,000 of the net profits or to pay 10 percent of any final net deficit.

National Basis for Rating

The insurance committee first endeavored to divide the country into zones, a coastal district and an interior one. However, the federal government felt that this could not be done and the insurance companies were told to set up the rates on a national basis. That was the second disappointment of the insurance group, the first being when they were told that the coverage could not be made compulsory. Those in the interior will have to pay a higher rate than originally contemplated and those in the coastal zone will pay a lower rate. If those in the interior do not insure to any considerable extent then the rates established for the coastal zone may not be anywhere near adequate. The rates were kept as low as possible in order to make the coverage attractive, for it is only by the collection of a large fund that the setup can be safe if the country is subjected to anything more than token bombing.

The third disappointment, he said, had to do with the policy form. He pointed out that there is a clause in most policies providing that the company shall not be liable for loss or damage caused directly or indirectly by invasion, insurrection, riot, civil war, commotion or military or usurped power or by order of any civil authority, etc.

Congress, however, in setting up the WDC did not follow the wording of this exclusion but adopted wording of its own, namely "protection against loss or damage to property, real and personal, which may result from enemy attacks (including any action taken by the military, naval or air forces of the United States in resisting enemy attacks). . . ."

Therefore there is a gap between what is excluded by the standard fire policy and what is to be covered by the WDC. Should a Canadian patrol plane for instance get off its course and drop its bombs by accident on a property in New England it is at least questionable if the assured could recover under the standard fire policy and neither could he recover under the war damage contract.

Or a plane of the United States, not in actual combat, may accidentally drop its bombs. Such a plane is not "resisting enemy attacks" and under a strict interpretation the war damage policyholder might be told he was not covered. The factory mutual companies have advised their policyholders that in both of these cases they would hold themselves liable. However, he said he understands that other insurers have not as yet, at least, taken similar action. It is hoped that this situation can be corrected at a later date.

Under the proposed plan local agents will act as salesmen and sell war damage cover to whomever wants it. The contract will be that of the War Damage Corporation for whom the insurance companies act as fiduciary agents. The latter collects a premium at the time the application is made and after the application is approved a policy is issued. The funds, after a deduction of a small service charge and a small amount for out of pocket expense, are turned over to the War Damage Corporation which holds them to pay losses and to meet its own operating expenses. Losses will be investigated by the insurance company adjustment bureaus and certified by them to the War Damage Corporation which will then make a further investigation. All responsibility as regards final adjustment is between the assured and the War Damage Corporation. Payment will be made by WDC, upon the approval by them of all details.

Insurance companies did not desire to take a participation in the coverage because there was no way of determining whether the rates were adequate or what their liabilities might be. However the government insisted that the insurance companies should have some interest in the matter and the insurance companies have agreed to reinsure the WDC up to an amount not to exceed \$20,000,000 in total. The maximum amount any one company might be called upon to pay would be only a very small percentage of its surplus. Companies are to receive 10 percent compensation for this participation with a possible maximum of \$20,000,000.

Mr. Freeman said he advocated having the coverage set up on the basis of a mutual insurance company on the theory that the government should not make a profit out of the operation. It should not constitute a hidden form of taxation on those who are forehand enough to buy the coverage, he said. It may later be possible to collect after the first year only such additional sums as may be necessary to pay the losses and expenses.

The rates vary all the way from \$1 per \$1,000 to as high as \$7.50. For a typical factory of good construction that is fire proof the cost for 50 percent coverage works out at about \$2 per \$1,000 or \$2,000 per \$1,000,000. However if full insurance is carried, that is 100 percent to value, there is a credit of 40 percent, making the cost about \$1.20 per \$1,000 or \$1,200 per \$1,000,000.

Mr. Freeman expressed the belief that unless a plant is for the most part of fire proof construction it would be foolish not to carry full insurance. Even at a fire proof plant, however, he said,

it might be unwise to take the risk of 50 percent coverage when the cost of the insurance can be deducted in computing the income tax.

Several members of the committee endeavored to have the government approve the writing of U. & O. coverage. The government representatives however felt that Congress would not authorize them to go that far. The committee also endeavored to have the government take a more liberal position in regard to writing of coverage on fine arts, but the government people said that the owners of fine arts should box them up and bury them in the middle part of the country. However many museums do not have the funds to do this. The government people probably were thinking of political considerations, for instance farmers might object to insuring a painting for \$1,000,000. Mr. Freeman believes that some of the larger collectors and dealers in fine arts and some of the municipal museums will insist on being given more complete protection than they are able to get under the present plans.

The guess is that about \$250,000,000 to \$300,000,000 in premiums will be collected in toto.

The premiums will probably not be subject to local or state taxation.

The insurance committee was much concerned with the attitude of the state

Hohwiesner Is Reelected National Brokers Head

F. M. Hohwiesner of San Francisco, president, and all other officers of the National Association of Insurance Brokers have been reelected. The balloting was done by mail. Julian Lucas, chairman of the nominating committee, recommended that the officers be reelected. Chairman of the executive committee is Harry E. Moore of Boston; vice-president is Frank P. Lavin of Chicago; treasurer, E. S. Litchfield; and secretary, H. G. Sawtelle.

insurance commissioners and meetings have been held with the state officials. Some of the federal people at first paid little attention to the state department question on the theory that the federal government could do what it wanted to do and the states would have to fall in line.

The companies will have to set up a bookkeeping procedure and separate departments to handle the job.

The small amount that the government would allow the insurance companies as fiduciary agents will nowhere near be adequate if the companies have to break down the figures by state, type of risk and other classification.

AROUND THE CLOCK WITH PHOENIX-LONDON



THE PHOENIX-LONDON agent starts the day with confidence, secure in the knowledge that behind the company he represents there is strength . . . stability . . . understanding of his problems.

The modern, far-sighted agent appreciates the help he obtains when he represents companies best equipped to render valuable sales helps and dependable agency service. On such a well-earned reputation the Phoenix-London Group has grown and prospered — to the benefit of agent, policyholder and company!

Phoenix-London
GROUP

55 FIFTH AVENUE · NEW YORK

PHOENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHOENIX INDEMNITY COMPANY

NEWS OF FIELD MEN

Beauvais of Quebec Candidate for Blue Goose Post

The Quebec pond of the Blue Goose is seeking the election of E. J. Beauvais as grand keeper at the annual meeting in Toronto. This is the year for a Canadian to be started up the grand nest ladder. A letter in behalf of Mr. Beauvais has been sent to all the Blue Goose members by P. A. Badeaux, most loyal gander of the Quebec pond.

Mr. Badeaux points out that Mr. Beauvais has been active in the Quebec pond since it was formed in 1914 and states he is credited with having done more for the Blue Goose in that district than any other member. He was the first guardian of the Quebec pond and served as most loyal gander in 1934. He has served on various national committees and as deputy most loyal grand gander. He is now wielder of the Quebec pond.

Mr. Badeaux states that in putting forward Mr. Beauvais the Quebec organization is also making a bid for the Blue Goose grand nest convention in Montreal the year in which Mr. Badeaux would be the retiring most loyal grand gander. Mr. Badeaux states that the Quebec pond with a membership of more than 250, has never had an active resident member on the grand nest although in 1928 when the convention was held in Montreal the most loyal grand gander was a temporary resident of Montreal. He later moved to Philadelphia.

Smith Ill., Minn., and Mo. State Agent of Paramount

P. Warren Smith, office and fire department manager for H. Dalmar & Co., Chicago, has been appointed state agent by Paramount Fire of New York in Illinois, Minnesota and Missouri. He has set up his headquarters in 1723 Insurance Exchange, Chicago. Paramount is represented as metropolitan supervising agents in Chicago by H. Dalmar & Co. and Youngberg-Carlson Company. Mr. Smith also will manage Cook county for Paramount and work with these two supervising agencies.

He has broad experience, starting with the local agency of Monier & Morrissey of Champaign, Ill., while he was attending the University of Illinois and afterwards. He has been connected with Dalmar & Co. for 12 years, doing inspection work, underwriting, special agency activities and being assistant cashier before he was appointed office and fire department manager seven years ago.

Mr. Smith with Paramount succeeds J. B. Darnell who has purchased a local agency at Crown Point, Ind., which he will operate, and has resigned as special representative of Paramount.

Owen M. Murray of Dallas, Tex., board chairman of Paramount, and William Beale, executive special agent, were in Chicago supervising the change.

Mr. Smith's home town is Winchester, Ill., and he is a nephew of the late Dan T. Smith of that town, who for many years was state agent of Milwaukee Mechanics in Illinois and most loyal gander of the Blue Goose. There is now a puddle which bears his name.

American, N. J., Setup in Iowa

With the transfer of Walter C. Yeomans, formerly Iowa special agent, to

the Michigan territory for American of Newark, R. V. McCormick, state agent in Iowa, and John O. Jertson, special agent at Des Moines, will handle the Iowa field, including Mr. Yeomans' work in that area.

C. B. Brown, Jr., W. W. Foster Join Atlas in West

C. B. Brown, Jr., and W. W. Foster have joined the Atlas field organization in the west. Mr. Brown is appointed state agent for West Virginia and eastern Ohio with headquarters in Cleveland and Mr. Foster is state agent for Indiana and Kentucky with headquarters in Indianapolis.

Mr. Brown has been with the Ohio Inspection Bureau at Cleveland for the past 10 years.

Mr. Foster was for 10 years with the Indiana Inspection Bureau and for the past two years has been assistant special agent of Home in Indiana. He is a son of W. S. Foster, retired associate western manager of North America. In Indiana he takes the place of A. W. Schmadeke, who recently went with Paramount Fire.

Mathews Is Fla. Special Agent of Hartford Fire

Herbert C. Mathews, who has been associated with the southern department of Hartford Fire in Atlanta for some years, the past 10 years as an examiner, has been appointed special agent in Florida.

He takes over the work heretofore done by Special Agent A. S. Wright, Jr., who is now a lieutenant in the army engineering corps. He will work with Special Agent Robert H. Wilson, Jr. Headquarters of the two field men are at De Land, Fla.

Maine Field Men Hear Perkins

PORTLAND, ME. — Commissioner Perkins of Maine made his first official appearance before a group of insurance men when he addressed the Pine Tree State Field Club here. He spoke of the work of the department and stressed the value of friendly relations with all branches of the insurance business. Deputy Commissioner Guy R. Whitten introduced his chief. The meeting was the final one of the season.

Joint Inspection of Menominee

MENOMINEE, MICH. — T. L. Mulcahy, National, Milwaukee, president Wisconsin Fire Prevention Association, and a group of Wisconsin field men co-operated with the Michigan association in conducting a fire prevention day here. W. H. Moeller, London & Lancashire, Detroit, acting president of the Michigan association and E. C. Saulcy, Great American, Saginaw, secretary, were in charge of arrangements. J. Burr Taylor, Western Actuarial Bureau, Chicago, spoke.

Schmidt with General, Seattle

Henry Schmidt, Jr., formerly special agent for Frank Burns Co., Seattle general agency, has taken a field post with General of Seattle companies. Before going with Frank Burns Co. several years ago, Mr. Schmidt was special agent for Lamp & Co., Seattle general agency.

N. D. Underwriters to Meet

The North Dakota Underwriters Association will hold a meeting at the Chamber of Commerce, Fargo, June 1.

Minnesota Speakers Elect

MINNEAPOLIS — A group of 30 Minnesota field men who have been taking a course in public speaking the past six months will resume their lessons next fall. They have formed an organ-

ization and elected the following officers: President, Paul Ollinger, Connecticut Fire; vice-president, Edward F. Halloran, adjuster Hartford Fire, and secretary-treasurer, Ken Hingst, American of Newark.

S. D. Field Meeting June 2

The annual meeting of the Fire Prevention Association of South Dakota will be held June 2 in Sioux Falls, preceding the annual meeting of the South Dakota Fire Underwriters Association. C. P. Dalbey is president of the Fire Prevention Association.

Johnson to Speak

MINNEAPOLIS — Commissioner Johnson will speak at the annual outing dinner of the Minnesota Blue Goose to be held in connection with the field men's outing at Pine Beach hotel, near Brainerd, June 17-18.

Myers Succeeds Lo Presti

Allan C. Myers has been appointed special agent of Pacific National Fire in Seattle succeeding A. F. Lo Presti, resigned. Mr. Myers has been with the company since 1931.

Illinois Blue Goose Field Day

The Illinois Blue Goose will hold a golf tournament and field day at the Medinah Country Club, June 4.

Kansas Executive Group Confers

Members of the new executive committee of the Kansas Fire Underwriters Association met in Topeka to discuss plans for the coming year.

Indiana Blue Goose Meets June 8

The annual meeting of the Indiana Blue Goose will be held at the Broadmoor Country Club northwest of Indianapolis, June 8, following a golf tournament and dinner. Officers will be elected and reports of officers will be received.

Missouri Meeting on June 3

The Missouri Fire Prevention Association will hold its annual meeting June 3 at Lake Taneycomo, with election of officers, discussion of ways in which fire defense and service of defense can be promoted and carried on.

Rogers' Territory Expanded

Denzil G. Rogers, state agent Fidelity & Guaranty Fire for Nebraska and Iowa with headquarters at Omaha, has been given the added territory of Kansas and western Missouri and has moved his headquarters to Kansas City. He replaces Earl H. Shaw who was promoted to Chicago last month.

Wise Elected in Toledo

TOLEDO — New officers of the Maumee Valley Blue Goose puddle were elected at the annual dinner here. E. C. Wise, Ohio Inspection Bureau, is big toad, succeeding Edward Meagher, Stepp & Lehman Insurance Agency, who is a 25-year member; Charles Kennedy, Ohio Audit Bureau, pollywog; Neal Hummel, Ohio Audit Bureau, croaker; and Robert McLain, Ohio Inspection Bureau, bouncer.

Beardsley Sioux Falls Head

The Sioux Falls, S. D., Blue Goose Luncheon Club held its last meeting of the season Monday. Election of officers was held. E. W. Beardsley, manager of Western Adjustment was elected president to succeed C. E. Mc-

Laughlin and E. W. Waltman, state agent of Royal, secretary, to succeed L. G. Spies. The next meeting will probably be held in September.

NEWS BRIEFS

The auxiliary of the Louisiana Blue Goose will entertain their husbands at an all-day picnic June 7, at Chester Farrell's Cabin in the Woods, Bayou La Combe, La. Mr. Farrell is deputy most loyal grand gander for Louisiana and Mississippi.

Lieut. D. T. Adams of the coast guard was guest speaker at the Seattle Blue Goose dinner meeting May 25.

The Heart of America Blue Goose, Kansas City, has selected William Hupp, son of J. C. Hupp, state agent Security of Connecticut, as the lad it will sponsor for Boys State, Fulton, Mo., June 13-20.

Major Frank Halligan of the Iowa selective service staff, addressed Iowa Blue Goose at a luncheon meeting in Des Moines, his subject being conscription.

The annual guest day luncheon of the ladies auxiliary of the Kansas Blue Goose was held in Topeka. Mrs. Curtman Maupin, past president, was presented with a gift. Officers for the coming year were introduced: Mrs. V. E. Herbert, president; Mrs. C. E. Stiehl, vice-president; Mrs. Byron R. Ward, secretary, and Mrs. E. H. Fikes, treasurer.

The Ohio Stock Fire Speakers Association will hold its last meeting of the season on June 1 in Columbus. At the last session D. T. Duffey, Jr., Underwriters Adjusting, spoke on "Erratic Views on Public Speaking," and R. W. Leedy, U. S. Fire, discussed the "Challenge to Youth and How to Meet It By the Boy Scouts."

James J. O'Connor, chairman county fire rationing board, spoke to the Sunflower Blue Goose puddle in Wichita.

The newly elected officers of the Wisconsin Women of the Blue Goose are: Mrs. L. F. Schmidt, president; Mrs. R. C. Gravenstine, vice-president; Mrs. G. B. Near, recording secretary; Mrs. G. H. Kamper, financial secretary, and Mrs. R. A. Kenzel, treasurer.

NEW YORK

BROOKLYN BROKERS DINNER

Superintendent Pink of New York was special guest of the Brooklyn Insurance Brokers' Association at the mid-year dinner meeting. The resignation of S. R. Feller as counsel of the organization was formally announced. Mr. Feller, a former deputy superintendent of the New York department, has entered the armed services and is stationed at Washington.

LOOK FOR INVESTIGATION

Keen observers in the fire and casualty field predict that the business is in for an airing before the federal authorities. The fact that Attorney General Biddle is taking an interest in the Missouri hearing and that a large amount of information is being gathered by the Missouri authorities is taken to mean that this material will be handed over to the federal government and that the T.N.E.C. probe on life insurance will be duplicated with the fire and casualty business. Assistant Attorney General Thurman Arnold seemingly is taking personal charge of a possible future hearing and he is studying the situation carefully and gathering material from all possible quarters.

PARTICIPATION IS STRETCHED

The factory insurance associations and other syndicates find themselves pressed to the limit these days owing to the increase in values and the rapid expansion of plants especially those in defense industries, the storing up of large



P. W. Smith

amounts of supplies, creating new values, etc. This has forced the companies to stretch their participation to the utmost. Sometimes it is difficult to give adequate coverage but so far by extraordinary efforts in some cases the protection has been secured.

\$100,000 FIRES IN APRIL

The following fires, according to the New York Journal of Commerce, caused damage of \$100,000 or more during April:

Boothbay Harbor, Me., business block, \$100,000; Waterville, Me., business block, \$150,000; Taneytown, Md., rubber plant, \$500,000; Taunton, Mass., mercantile building, \$200,000; Norwich, N. Y., creamery, barn, \$100,000; Chester, Pa., hardware plant, \$200,000; Stroudsburg, Pa., theater, \$150,000; Woonsocket, R. I., storehouse, \$125,000.

Also: Kewanee, Ill., 20 business buildings, \$1,200,000; Rockford, Ill., furniture plant, \$100,000; Richmond, Ind., 3 business buildings, \$500,000; Fort Madison, Ia., department store, \$100,000; Ottumwa, Ia., mercantile building, \$100,000; Detroit, Mich., fair building, \$200,000; North Branch, Mich., elevator, \$150,000; Akron, O., two manufacturing plants, \$300,000; Janesville, Wis., business block, \$150,000.

Also: East Nashville, Tenn., school, \$110,000; Huntsville, Ala., cotton oil plant, \$100,000; Forrest City, Ark., business building, \$100,000; Abilene, Tex., cotton compress, \$400,000; Amarillo, Tex., mercantile building, \$165,000; Morrison, Va., wholesale grocery, \$180,000; Pocatong, Va., bottling works, hardware store and garage, \$105,000.

Also: San Francisco, grinding mill, \$100,000; Portland, Ore., lumber company, \$100,000, and Walla Walla, Wash., mattress works, \$100,000.

FETE MESEROLE VETERANS

Byron K. Callan, manager of the automobile loss department, and Frank J. Kelly, in charge of staff automobile adjusters for the Meserole companies, were feted at a dinner in view of the fact that they are both retiring shortly. Both Mr. Callan and Mr. Kelly have been connected with the organization about 20 years.

Mr. Callan handled automobile claims for Continental Casualty until 1916 when he joined Bankers & Shippers, transferring to the Meserole organization in 1920, when Bankers & Shippers became a member of that group.

BRITISH FIRE LOSSES

The "Review" of London states that the first quarter of 1942 has brought a recurrence of heavy British fire losses, more than wiping out the improvement of 1941. The total, including 60 percent for losses under £1,000 each, was £3,546,000, an increase of £990,000 or 38.7 percent. Losses of £1,000 or over in March totaled £983,000. This year's increase in fire losses has mainly concentrated in the £1,000-£10,000 group, which gives a total of £1,024,000 against £414,000 for the corresponding period of 1941 and £599,000 in 1940.

CHICAGO

MAGNESIUM HAZARDS OUTLINED

How to handle magnesium bombs and magnesium fires was the chief feature on the program when 150 leaders of Chicago's loop area civilian defense organization visited Underwriters Laboratories' main testing station. The demonstrations were arranged by C. R. Welborn, secretary of the Laboratories.

E. P. Benjamin of the hydraulic department, conducted the demonstrations. He said there is the possible danger from fire bombs and there is the serious fire hazard in factories where magnesium

alloy castings are being processed.

The hazard in factories is the danger of fire breaking out in accumulations of shavings, lathe turnings, chips and sawdust of magnesium coming from the machines.

In a fire bomb air raid the chief problem is preventing the bomb from causing serious fires. The first thing to do is to prevent the fire from spreading by extinguishing combustible materials which have been ignited. Then attend to the bomb itself.

In factories and industries where expensive machinery would be endangered by the use of sand to combat fires in burning magnesium chips and shavings, or of burning magnesium bombs, other materials should be used. Tests have been made at Underwriters Laboratories on many types of manufactured materials for extinguishing such fires. It is not thought that these materials will be available to any great extent for use by the public but rather will be confined to use by industry.

DISTAFF EXECUTIVES MEET

The third successful year of the Insurance Distaff Executives Association of Chicago was brought to a close with a dinner.

Adhering to the keynote of the organization "to encourage better public relations and understanding of insurance" the programs of the past year have included many speakers well known in insurance. The following officers were elected:

President, Mrs. Hugo Dalmar; Hugo Dalmar, H. Dalmar & Co. Agency; vice president, Miss Mabel Laycock, Western Underwriters Association; secretary, Mrs. Carolyn Austin, Underwriters Adjusting; treasurer, Mrs. Sadie Hoffman, Underwriters Laboratories; historian, Miss Eda Doty, Western Underwriters Association; executive board, Miss Mary V. Kelly, Lyman, Richie Co., and Miss Bernice McCormack, America Fore.

NEWTON ACTIVE IN LOS ANGELES

Charles A. Newton, head of the Newton Insurance Agency, 215 West Seventh street, Los Angeles, is celebrating this year his 50th year in the business. He was formerly actively in the business in Chicago. For some time his agency has been attached to Marsh & McLennan. He is very active in Los

Homer Gwinn & Co. Expands Its Activities

Carl E. Herbst, who has been in charge of fire protection and engineering in the Chicago office of Crum & Forster, is joining the Chicago class 1 agency of Homer Gwinn & Co. Mr. Herbst has had an exceptional training in his line. He graduated in fire protection engineering from Armour Institute of Technology in 1927 and then for five years was with the Chicago Board.

Carl E. Herbst

For the past nine years he has been with Crum & Forster. He is a holder of the Tau Beta Pi key, honorary engineering fraternity. He is very familiar with the Homer Gwinn organization, inasmuch as he serviced that agency's business when it represented a Crum & Forster company.

Homer Gwinn & Co. is enlarging its office space in the Insurance Exchange building by 50 percent by taking over the quarters now occupied by the Illinois Association of Insurance Agents and Insurance Federation of Illinois. The entire quarters will be modernized.

Angeles in insurance lines and is doing a fine business. He celebrated his 65th birthday anniversary May 21. When President John R. Cooney of the Firemen's group was in Los Angeles on his present trip to the coast he was entertained by Mr. Newton at dinner at his home. The agency of Charles A. Newton & Co. is still a class 1 member of the Chicago Board. The partners are Mr. Newton and Frank G. Watson.

ASSOCIATIONS MUST MOVE

The Illinois Insurance Agents Association and the Insurance Federation of Illinois are compelled to find new headquarters space in Chicago, because their present offices in the Insurance Exchange Building are being taken over by Homer Gwinn & Co. in an enlargement of that agency's office. A committee has been appointed to decide upon a new location for the two associations over which Mrs. Lillian L. Herring presides. That committee consist of E. V. Mitchell, Continental Casualty; Hurd Douglass, New Amsterdam Casualty, and Philip B. Hosmer, R. W. Hosmer & Co.

Want a Bigger
PAY CHECK?
Here's.



Added Earning Power
For You with

Reliable
FIRE INSURANCE

The Reliable Fire Insurance
Company Offers Fine Policies
Expert Assistance

Your extra income from Reliable Fire Insurance means more profits for you . . . and a more comfortable living for your family. The Reliable Fire Insurance Company's state and special agents give you the help you need in hard sales jobs. You can be sure of all ethical assistance!

Reliable is widely recognized for prompt payment of just claims, and has real financial stability.

For full facts and all necessary information, write The Reliable Fire Insurance Company, Dayton, Ohio. Wm. F. Kramer, President; E. J. Weiss, Secretary.

Write for the Reliable profit story TODAY!

For 77 Years
a Name to Rely On!

STATE AND SPECIAL AGENTS

R. E. Metzger 162 E. Duane Rd. Columbus, Ohio
Finnell & Finnell 2527 David Stett Bldg. Detroit, Mich.

C. H. Dobbins 8339 Carrollton Ave. No. 16 Indianapolis, Ind.



RELIABLE
FIRE INSURANCE CO.
Dayton, Ohio

An Independent Ohio Company with current surplus to policyholders of \$1,080,286.77



The
**CHARTER OAK FIRE
INSURANCE COMPANY**

~HARTFORD, CONNECTICUT.~

ONE OF THE TRAVELERS COMPANIES

WANTED

State Agent Auto Company.....\$225
Rating Engineer.....\$200
Payroll Auditor.....\$200
Fire Examiner.....\$200

FERGASON PERSONNEL

166 W. Jackson Blvd., Chicago, Ill.

EDITORIAL COMMENT

Missouri Needs a Real Purge

THAT is a sorry mess in Missouri, the state that needs regenerating in its political structure. The vociferous, threatening, publicity seeking Attorney General McKittrick through his hearings on the tax cases goes at great length in endeavoring to prove that the insurance business is crooked and that insurance men readily adapt themselves to all sorts of chicanery, deception and dishonesty. He endeavors to make witnesses say what he wants them to say.

It seems to us that before Missouri attempts to penalize outsiders it would do well to have a genuine housecleaning in its public offices. Legislators have proved corrupt. Many are bribe-taking and they have educated the people to

the point where the giving of bribes seems to be necessary to get anything done.

We have had an unusual exhibition in the state supreme court where the chief justice charged three of his associates with being influenced by the old Pendergast machine of Kansas City. The raucous in this tribunal was disgusting to the extreme. The legal machinery in the state has long been held in contempt by those who do business in Missouri.

It would seem to us, therefore, that Missouri needs a great awakening in a governmental way and some heroic purges there would do a mighty lot of good.

Giving a Good Account of Itself

DURING these trying days there are many experiences that are exasperating and hence men's souls are being tried in more ways than one. Many businesses are affected by the war, some more and some less, but all are feeling the impact. Our personal customs and desires are being changed. We are being rationed in a number of ways and told what we cannot do.

However, we should say that the insurance business is giving a very good account of itself in endeavoring to keep pace with the times. There have been some mistakes made undoubtedly and there may be some who are not flexible enough to adapt themselves to the new conditions and these unusual days. Regardless of the criticism that we hear now and then of the insurance business, and it seems to be a special target for critics, it is marching along endeavoring to keep abreast with the current de-

mands and is asking for no special favors.

There are grave problems confronting all branches of insurance. Some are very complicated. There is a tremendous strain placed on insurance because the needs are great and the changes come rapidly and often they are severe.

The other day J. H. Burlingame, Jr., assistant manager of the Western Adjustment at Chicago, in concluding an admirable talk before the Nebraska agents spoke of the responsibility that is placed on insurance and he concluded with this philosophy: "If agents, field men and all alike cooperate closely and face events with courage, judgment and patience, none of the good will that has been so laboriously acquired over the years will be lost. Rather, after the struggle the place of insurance in the nation's business will be enhanced and more than ever secure."

Property Damage Wallop

THE casualty figures released by the New York department in our issue of May 21 can be studied with profit by all interested in this business. There were predictions a few years ago that the automobile business was becoming very sour. Prior to that the workmen's compensation line was a headache. At that time the automobile business was eagerly sought and property damage insurance especially was the most profitable.

The underwriting gain of stock companies last year was 5 percent and the mutuals 19.3 percent. The stock companies in 1940 had a 6.1 percent profit.

The decline is attributable largely to the automobile property damage class which showed a loss of \$9,116,880. The personal liability gain dropped from about \$10,300,000 in 1940 to \$4,000,000 in 1941. Go back to 1935 and the property damage automobile class showed a profit of \$7,289,291. The drop started the next year when the loss on that line was \$3,334,855.

The property damage high loss ratio may be due to a number of causes. One of the chief ones undoubtedly is the type of the modern car where any sort of physical injury means a much larger expense in repair. Car owners are not

satisfied with a repaint job on a fender, for instance. They demand a new fender. Then the fender is a part of other sections of the machine. The streamlined motors have cost the companies hundreds of thousands of dollars in the way of extra cost of repairs.

Then again the congestion around defense working establishments has brought in numerous claims. The cars are speedier and people are traveling

faster. An impact under those conditions injures a car materially and the cost is great. Furthermore, an owner may not carry collision insurance. He collides with another car and he endeavors to hold the other man responsible especially if he has insurance. Then the rate reductions, of course, had a material effect in reducing the premium income. These various factors contributed to the very high loss ratio.

PERSONAL SIDE OF THE BUSINESS

Henry A. Steckler, New Orleans general agent, lost the tip of his thumb while engaged in his hobby of wood-working. Mr. Steckler usually spends the weekends at his country home in New Iberia and while busy in his workshop his thumb came in contact with the sharp end of a joiner.

Harry B. Wilson, Irvine, Ky., past president of the Kentucky Association of Insurance Agents, was elected grand captain of the guard at a meeting of the grand commandery of Kentucky Knights Templar.

W. S. Keese, Jr., of Chattanooga, executive committeeman of the National Association of Insurance Agents, was a member of the wedding party when his brother, D. R. Keese, assistant director of the U. S. Naval Band at Charleston, N. C., was married to Mrs. Jacqueline Jones of Atlanta.

A. H. Knight, Illinois state agent of Home, who suffered a slight heart attack while in Peoria, Ill., and was confined to a hospital there for a few days, is now at his home in Wheaton, Ill., and his condition is reported to be very favorable.

P. J. V. McKian, Western Actuarial Bureau, Chicago, wielder Illinois Blue Goose, who was run down by a truck, has returned to his home at 7224 South Jeffrey street after four weeks in the hospital. Several of his ribs were broken and his recovery has been slow.

W. F. Baker, chief engineer of the North America companies spent a day in South Dakota during a trip to the middle west.

L. K. Taylor, Iowa state agent for Commercial Union, Des Moines, is the father of a baby boy, his second child.

W. R. Kirk, Chicago, agency superintendent North British & Mercantile, spent a few days in Kansas calling on agents. He visited Topeka where for many years he had headquartered while state agent in Kansas.

Gilbert Henry, manager insurance department of R. K. Stiles & Company, Kansas City, Kan., has been elected president of the Kansas City, Kan., Junior Chamber of Commerce. Mr. Henry served for many years as secretary of the Kansas City, Kan., Association of Insurance Agents.

Ray Halderman, chief examiner Oregon Insurance Rating Bureau, is celebrating his 25th anniversary with the bureau.

H. R. Stephenson, Washington, examiner Reconstruction Finance Corporation and Defense Plant Corporation, who is in charge of many of the

insurance matters for RFC and subsidiaries, was in Chicago for a few days this week. He was formerly located in the Chicago office of RFC. He will return to Washington at the end of this week, accompanied by his son, who is finishing his junior year at Kentucky Military Academy.

DEATHS

Ensign Paul Warren Monson, 21, who was killed recently in an airplane accident at Norfolk, Va., was the son of H. R. Monson, local agent of Mattoon, Ill. He attended Wentworth Military Academy in Missouri and received his wings in the naval air force at Corpus Christi, Tex.

Elmer D. Shearer, 79, former Iowa special agent of Phoenix of Hartford, died at Park Rapids, Minn. Burial was at Creston, Ia. Mr. Shearer was special agent of Phoenix for 30 years and retired nine years ago. He made his home in Des Moines.

Ira B. Thomas, 76, former secretary-treasurer of Retail Merchants Mutual of Des Moines, died there following a three years illness. He was secretary of the company until 1935 when it was consolidated with Western Mutual Fire of Des Moines.

Marius G. DeGabriele, 53, manager and treasurer of the National Agency of Negaunee, Mich., died recently. He was born in Quassolo, Italy, and was brought to Negaunee with his parents at the age of six. He went with the First National Bank in 1904 and when the National Agency, Inc., was formed in 1932, Mr. DeGabriele was elected treasurer. National Agency, Inc., is an affiliate of the First National Bank. He served for 16 years as a member of the Negaunee school board. A son, Robert, will be commissioned as second lieutenant in the army and enter active service in July.

Olin L. Pattillo, 68, Dallas general agent since 1913 and a partner in the firm of Pattillo & Myers, died in a Dallas hospital. He began in the insurance business in Atlanta in 1894 and was a traveling agent until going to Dallas to join the firm of Reinhardt, Pattillo & Reinhardt. In 1916 he established the general agency of Pattillo & Myers, representing Bankers & Shippers, Jersey, and Pacific Fire.

Shelton M. Sausley, Sr., former Kentucky insurance commissioner and later publicity director of the old Inter Southern Life prior to its reorganization as



THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704. EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force. BUSINESS DEPT.: John F. Wohlgenuth, President. H. J. Burrage, Vice-President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

CINCINNATI OFFICE — 420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

NEW YORK OFFICE — 123 William St., Tel. Beekman 3-3958. Editorial Dept. — G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept. — N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

ATLANTA OFFICE — 360 Trust Company of Georgia Bldg., Tel. Walnut 5887.

BOSTON OFFICE — 944 Park Square Bldg., Telephone Hubbard 8696. R. E. Richman, Vice-President.

DALLAS OFFICE — 617 Wilson Bldg., Tel. Riverside 3353. Fred B. Humphrey, Resident Manager.

DES MOINES OFFICE — 3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT OFFICE — 1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS OFFICE — 500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

PHILADELPHIA OFFICE — 1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO OFFICE — 507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$4.00 a year (Canada \$5.00). Single Copies, 25 cents. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



"Gosh, Tommy—He isn't a falling plane. We'd better ask our agent if we're covered in this case!"

Kentucky Home Life, died at his home in Richmond, Ky., on his 60th birthday following a two year illness.

From 1934 to 1940 he was manager of the Louisville bureau of the U. S. Foreign & Domestic Commerce. He resigned on account of ill health.

Ross Greene, 56, local agent at Linton, Ind., was found hanged at his home. The coroner declared the case suicide.

John R. Wilson, who died Friday of last week in Evanston, Ill., Hospital, retired in 1926 after 39 years as cashier for the Chicago local office of the Queen. He was 83 years of age.

Ed. M. Roach, president Hutchinson Investment Co., Hutchinson, Kan., died suddenly at his home after spending the morning at the office. He had gone home for lunch feeling a little ill but had been in good health previously.

John W. Meidinger, 50, agent and former banker in Ashley, N. D., died following a heart attack. He was the son of a pioneer family which went to Ashley in 1884.

N. C. Rorabaugh, insurance manager for the Philadelphia office of A. H. Greenfield & Co., and a former well known special agent in eastern Pennsylvania, died at his home in Chestnut Hill, Sunday.

Mrs. Laura B. Wood, who had operated an agency in Lincoln, Neb., for 20 years in connection with house building operations, is dead.

Junius M. Owen, 69, former Garrettsville, O., insurance man, died.

Miss Inez M. Darling, 54, Mechanicsburg, O., agent, died of a heart attack.

E. W. Elwell, United States manager of Royal Exchange, who has been upon an extended agency trip to the Pacific Coast is due to return to New York City early in June.

Sending out the Insurance Buyers' Digest each month is an effective way to create and maintain customer good will. Write The National Underwriter for sample.

WANTED OHIO STATE AGENT

By stock fire insurance group. Ohio experience and knowledge of rating preferred. Approximate age, 35. Reply in confidence. Address P-82, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

AVAILABLE

Long experience qualifies me highly as large local agency manager, agency field supervisor, and for fire and accident prevention work on large special hazards. Employed, draft exempt, field man prefers Southwest, South or Ohio. Address P-84, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

Constitution and Eagle Separate

The connection that has existed between Constitution Reinsurance and Eagle Fire of New Jersey has now been terminated and each will go its own way. Both of these companies are reinsurers. Constitution was formerly the United States branch of Baltica of Denmark.

James Y. Milne, who has been president of both companies, will now be connected only with Constitution. The new president of Eagle Fire is Arthur L. Bowerman, formerly vice-president.

Franklin R. Fort and Miss A. T. O'Rourke have also ceased to be connected with Eagle Fire and will join the staff of Constitution. Mr. Fort has been secretary and Miss O'Rourke assistant secretary of Eagle.

Edgar C. Werner was elected vice-president and secretary of Eagle Fire; Joseph F. Arnold, treasurer; George W. Koechlein, assistant treasurer, and Lucille F. Conrade, assistant secretary.

Eagle Fire will discontinue its facultative operations which have been handled from the New York City office. The facultative business of Constitution will be handled through the office of Fester, Fothergill & Hartung. Constitution will also have a New York City office of its own at 90 John street.

Eagle Fire at Dec. 31, 1941, had assets \$1,884,671, premium reserve \$651,561, capital \$815,000 and net surplus \$204,206. Premiums written were \$719,139, losses paid \$592,537, expenses \$382,126, premiums earned \$850,805, losses incurred \$491,990. The losses paid ratio was 82.4 and incurred 68.4. The expenses paid ratio was 53.1 and incurred 51.4.

Constitution Reinsurance at Dec. 31 had assets \$2,321,086, premium reserve \$992,972, capital \$500,000 and net surplus \$635,706. Premiums written were \$850,814, losses paid \$426,429, expenses \$399,713, premiums earned \$846,915, losses incurred \$463,068. The losses paid ratio was 50.1, losses incurred 54.7 and expenses incurred 47.3.

to see his assured occasionally during that period, for otherwise the assured may forget him and place the business elsewhere upon renewal.

It was recommended that minimum premium policies be canceled within a short time if they are not paid for. Some of those present stated that they do not renew small policies unless specifically authorized in advance by the assured to do so, and arrangements made for payment.

The group was entertained by President Hosmer at his home in the evening.

REJECTED RISKS

A Chinese agent sent a letter to one of his policyholders who was procrastinating in paying his premium: He said:

Esteemed Client:

Kindly refrain

From joining ancestors

While insignificant premium

Reposes in offending pocket,

Since meantime honorable family—

Not company—holding burlap.

THE GAME OF LIFE

Where's the smile I saw you wear Yesterday? Lost it?
Where's the heart that knew no care Yesterday? Lost it?
Where's the spirit and the dash And the wit you used to flash; Did all hope die in the crash Yesterday? Lost it?
Take my hand and grip it hard For today! Got it?
Leave the past—start new, old pard, For today! Got it?
Let defeat give you the steel To meet tomorrow's woe and weal— Life gives to you another deal Every day! Got it?
—Charles Oliver Reed, Minneapolis.



AMERICA NEEDS FIGHTERS NOT only in planes—but in plants. And in production!

And now—as for two centuries past—America can count on insurance in time of crisis.

Again today, America needs men whose insurance experience can help fight the avoidable damages, delays and losses that might cut into all-out production.

To this war-within-a-war, Norwich Union is glad to contribute through itself and its agents, the accumulated experience of many hundred men and 145 years of growth.



NORWICH UNION

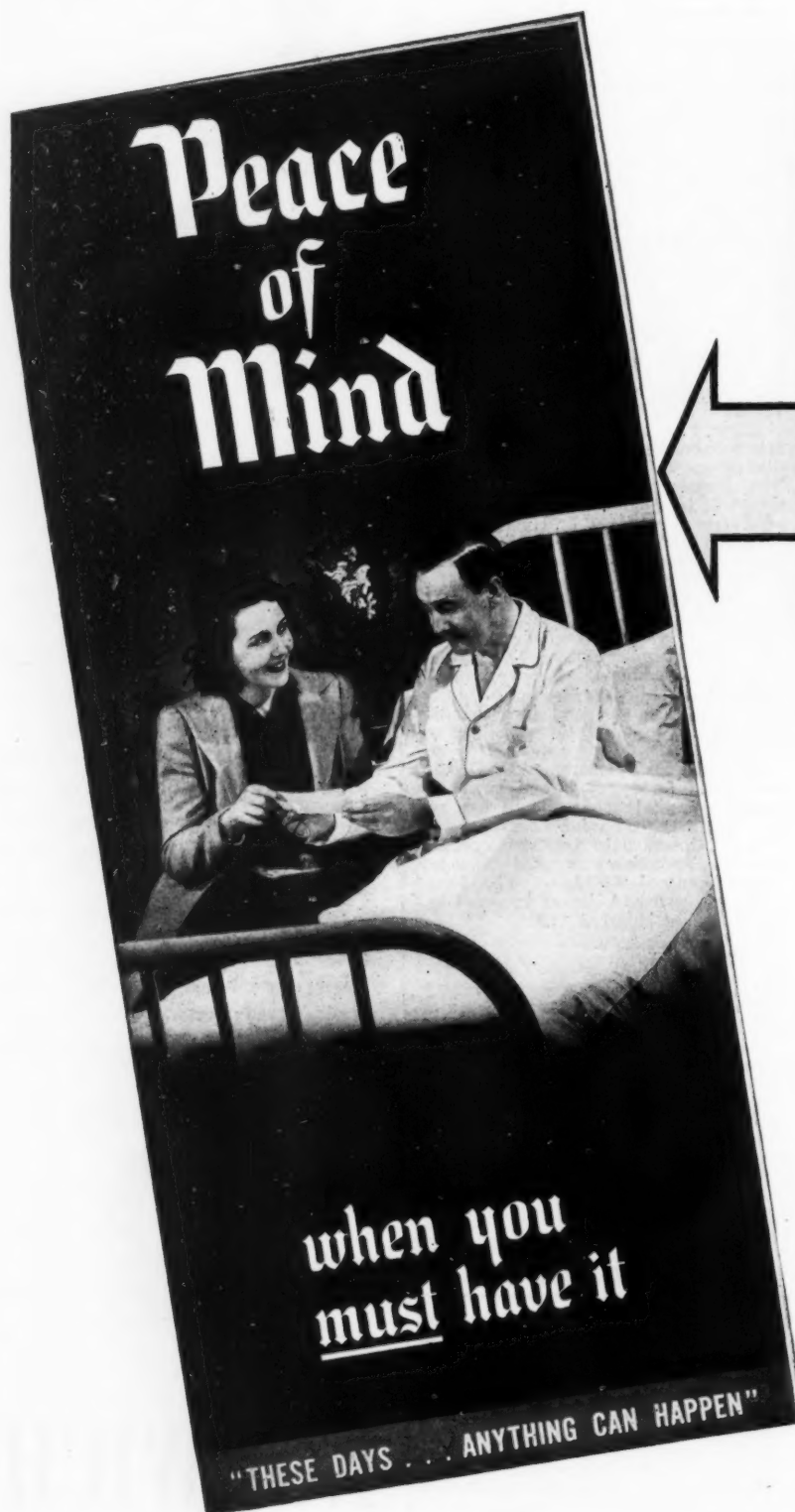
FIRE INSURANCE SOCIETY, LTD.

EAGLE FIRE COMPANY OF NEW YORK

NORWICH UNION INDEMNITY COMPANY

75 Maiden Lane, New York, N. Y.

FREE: TO ACCREDITED BROKERS AND AGENTS



**NEW HELPS
TO GET YOU
MORE BUSINESS
MORE EASILY!**

"THESE DAYS... ANYTHING CAN HAPPEN"

Make it happen in your favor!

Take advantage of the new dramatic sales literature we are developing for you.

For example: Here's a graphic, *photographic*, simple-as-A-B-C selling story that should certainly make it much easier for you to sell accident insurance — especially in these hazardous times.

This vivid folder clearly visualizes *Peace of Mind* to your prospects — when peace of mind is what every man and woman in the world wants. It describes *special* competitive features in the policy — when active prospects are looking for that "something extra," that added reason, to buy your policy. It can help *you* produce more volume.

May we send you one of these unusual eye-opening, business-producing folders? May we put your name on our mailing list for more sales literature to be produced by us — to help **YOU**? Write us on your letterhead today.

ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

UNITED STATES HEAD OFFICE • 111 JOHN STREET, NEW YORK CITY

Chicago Office • 175 W. Jackson Boulevard • HUGH T. MILLARD, Branch Manager • DON SPLINTER, Special Agent

The NATIONAL UNDERWRITER

May 28, 1942

CASUALTY AND SURETY SECTION

Page Twenty-one

See Heavy Losses Ahead for Open Stock Burglary

Thieves' Lack of Market Main Reason for Present Good Record

NEW YORK—While experience on open stock burglary is currently extremely good, underwriters have no illusion as to what is in store. They feel that the low level of losses, particularly in New York City, is due entirely to the fact that potential buyers of stolen merchandise are already overstocked with purchases from legitimate sources. Unlike the petty thieves who are largely responsible for household burglaries, the criminals responsible for open stock thefts will not steal unless they know where they can dispose of their loot.

Two developments are ahead which burglary underwriters are positive will shoot losses skyward: The eventual depletion of stocks now held by retailers and the growth of a "black market" such as has grown in England to amazing proportions. When the black market develops here as a result of rationing and price ceilings it will be profitable for well organized professional thieves to steal from stocks of any type of merchandise which can be readily sold to retailers catering to those willing to pay illegally high prices.

Large, Vulnerable Stock

One factor which will make losses bad is that so many retailers have enormous stocks which they bought in order to beat price rises. These stocks far exceed the normal storage capacity and much goods is stored in loft buildings. A retailer has rented the third and fourth floors, for example. This leaves the merchandise vulnerable not only from the outside but from the floors immediately below and above. Priorities, as well as the expense that would be involved, make it impossible to bar the windows or other openings. The same reasons operate against the installation of adequate alarm systems.

In New York City and perhaps other places the dimout is expected to make things much easier for thieves. Blackouts are not so bad, since air raid wardens and others are on the job and any suspicious activity would be readily spotted. However, the dimout is a permanent order and while streets will be lighted to some extent the opportunities for concealment in back alleys and other out-of-the-way spots will be far greater than with normal lighting.

After the outbreak of the present war but before this country's entry, there were some bad burglaries of high-value articles which could be readily sold to war plants. For example, \$30,000 worth of small drills could be carried away in a dress suitcase. The Federal Bureau of Investigation soon put a stop to this. With the United States in the war,

Watch Weekly Reports on Auto Fatalities

Casualty company executives are watching very closely these days the Bureau of Census reports showing the automobile fatality trend week by week. These compilations show the increases or decreases each week in comparison with the same week of the previous year.

Up until the first of April there was no definite trend discernible. In some weeks there was an increase and in others a decrease but each week during April there was a very sharp decline and a good many came to the conclusion that this was the real thing, so to speak, and automobile accidents were destined to drop to a very much lower level. They were greatly surprised, then, to find that for the week ending May 9, there was an increase of 3 percent in the automobile fatalities, and for the week ending May 16 there was a decline of but 1.1 percent. Just what the significance of that may be is mystifying and a close watch will be kept on the figures from week to week to try to apprehend what is happening.

This reversal in what appeared to be a trend may serve to put the brakes on any movement just now for a reduction in automobile insurance rates. During April the sentiment seemed to be growing in favor of giving some rate concessions at this time to recognize probable experience in the immediate future and disregarding the usual past experience formula.

In Massachusetts where there is compulsory automobile liability insurance, the politicians continue to demand that the motorist be given a refund of premiums. The Boston city council the other day adopted a resolution memorializing Governor Saltonstall to provide a remedy through the exercise of his emergency war powers by ordering the insurance commission to draft plans for more equitable insurance rates so that refunds may be given to motorists on the cost of their insurance at the termination of the next seven months.

Manufacturers of war implements are much too fearful of losing their war contracts to take a chance on questionable goods, in addition to whatever moral scruples they might have. Those manufacturing non-war goods are so restricted by priorities that they would be afraid to introduce into their production any materials which they might have difficulty in accounting for to the authorities.

In contrast to current experience on open stock, residence burglaries are worse. The typical case is a theft by a servant and is dictated by the need of money under today's increased costs. This type of thief does not gauge his thefts by the market but only by his own needs.

Another manifestation in the residence burglary field is that because of higher taxes and living costs even well-to-do assured are making claims which they would not have bothered about in the days before the financial pinch was so acute. They think of angles that would probably not have occurred to them before. For example, one claimant in reporting a jewelry loss included not only

Adjusters Card Is Completed

Numerous Outside Speakers Are Slated to Address St. Louis Meeting

ST. LOUIS—The program for the annual meeting of National Association Independent Insurance Adjusters in St. Louis, June 11-13 is announced by Thomas J. English of St. Louis, convention chairman.

At the morning session June 11, Mr. English will call the meeting to order. The address of welcome will be given by Mayor Becker of St. Louis and there will be a response by John C. Ryan, Utica, N. Y., president of the association.

The session that afternoon will be devoted to fire and allied lines with W. H. Moore of Wichita, vice-president in charge of that section, presiding.

Thomas Kingsley, St. Louis manager of Travelers Fire, will give an address "Where Do You Stand?" T. L. Osborn, Jr., assistant secretary National Retailers Mutual, will talk on "Motor Truck Cargo Insurance." Col. S. B. Philpot, former commandant at Jefferson Barracks, St. Louis, will speak on "We're On the Spot."

That evening there will be what is known as the get acquainted gathering. The next morning will be devoted to casualty and allied lines with John W. Gainer presiding.

W. F. Somerville, assistant secretary St. Paul Mercury Indemnity, will speak on "Comprehensive Liability." John F. Hynes, secretary Employers Mutual Casualty, will be heard on "Carriers Liability on Hired Trucks."

That afternoon will be devoted to miscellaneous or special lines with R. T. Gustafson presiding. E. L. Stephenson, Chicago manager Associated Aviation Underwriters, will speak on "Aircraft Insurance Looking Upward and Forward." L. V. Ecklund of Hartford Accident in Chicago will speak on "Forgery and Fidelity Bonds," and S. L. Bodman of Marine Office of America at St. Louis will talk on "Inland Marine Insurance."

That evening there will be held the annual dinner dance. On the final day business meetings will be held.

the replacement cost of the item but the 10 percent excise tax as well—a perfectly legitimate claim even though he was not intending to replace the jewelry.

Special Edition Will Cover H.&A. Conference Meeting

A special edition covering the proceedings of the annual meeting of the Health & Accident Underwriters Conference, which is being held in Kansas City this week, and the addresses given at that meeting will be published by The National Underwriter immediately after the conclusion of the meeting.

Project Civilian War Risk Accident Form on Pool Basis

H. & A Conference at Kansas City Meeting Takes Leadership in Move

By FRANK A. POST

KANSAS CITY—The Health & Accident Underwriters Conference at its annual meeting here approved the idea of issuing a special civilian war risk accident policy on a pool basis, approved the report of a special committee outlining a plan for writing such a policy, subject to possible modifications as to rates, and authorized the appointment of a permanent committee to carry out the plan.

While it is primarily a conference project, if not enough conference companies subscribe, participation would be offered to companies outside the conference. The policy will provide \$5,000 principal sum, with proportional dismemberment benefits and \$500 hospital, nurse, medical and surgical expense.

War Problems Bring Big Crowd

The pressing problems of wartime, affecting administrative, underwriting and agency operations, brought out the largest attendance in recent years, with a registration of nearly 200 the first day and a crowd which taxed the capacity of the meeting place and stayed on the job throughout a series of meaty discussions of social security, war clauses, changes in industry with the resultant effect on risks, mounting taxes and expenses, investments and loss of personnel.

The threat of social security extension to include disability insurance was perhaps the main topic in the formal program Tuesday. It was covered in a separate address by Harold Requate, counsel of Woodmen Accident, was stressed by George Manzelmann, president of North American Accident, in his luncheon talk and presented from a rather novel angle by John M. Powell, Loyal Protective, in his presidential address. Mr. Powell and W. T. Grant, president of Business Men's Assurance, who gave the address of welcome, both presented quite comprehensive reviews of the problems of the day.

War-time developments in the field of agency management and home office management also were stressed at the two sessions Wednesday devoted to those particular departments. At the agency management session additional sales opportunities offered by the extension of age limits upward and downward and the increasing importance of women in business and industry were presented by F. M. Walters, General Accident, and E. H. O'Connor, Provident Life & Accident, and the problems of recruiting today by H. C. Carden, Mutual Benefit Health & Accident, while the home office management men

(CONTINUED ON PAGE 29)

N. Y. Governor Acts on Bills

Signs Automobile Re-registration Measure—Vetoes Premium Tax

NEW YORK—The bill permitting the re-registering of automobiles involved in unsatisfied judgments under the new financial responsibility law was among the measures signed by Governor Lehman before the expiration on Sunday of the 30 day period following the legislature's adjournment. Bills sent to the governor during the last 10 days of the session automatically die unless he signs them.

While insurers took no attitude one way or the other on the re-regisrty ban contained in the law as it became effective the first of this year or in subsequent efforts to have the restriction lifted, many of the measure's sponsors felt that easing the law in this respect would hurt its effectiveness considerably. However, those who take a contrary view point out that the principal object of this part of the law, preventing transfer of the vehicle to some one else in the motorist's family, can still be attained, since the motor vehicle commissioner still has the power to deny re-registration in cases where it appears that the law is being circumvented.

In the New Hampshire financial responsibility law, which is the prototype of the New York law and a number of others, the registration ban was omitted after it had been found unduly burdensome and complicated in the preceding financial responsibility law.

Governor Lehman vetoed the bill which would have permitted casualty companies to deduct from their premium taxes their contributions to the administrative costs of the financial responsibility plan, which are assessed against the companies writing automobile liability business.

He also vetoed a bill which would have exempted mutual companies in existence at the time the present code went into effect from having to meet the financial standards set up in the code for the formation of new companies. The mutuals' argument for the bill was that when stricter standards were set up for formation of new stock companies existing companies were not required to meet these standards. In vetoing the bill Governor Lehman recommended that rather than easing the requirements for existing mutual companies the requirements for existing stock companies should be made the same as for new stock companies.

The governor signed a bill permitting issuance of a limited form of license which would enable an agent going into the armed forces to appoint some one to handle all his business except the solicitation of new premiums.

Industrial Accident Deaths Up 25% in April

Reports to 23 state industrial commissions on accident deaths in April jumped 25 percent over April a year ago, the largest monthly increase recorded this year, the National Safety Council reports.

The industrial accident fatality total reported in the 23 states in April was 704, as compared with 565 in April, 1941. The four-month accident death total reported in these states was 2,735, or 12 percent above the same period of 1941. January reports were 15 percent above the same month in 1941, and for March the increase was 7 percent. February showed a small decrease.

Among important industrial states, Pennsylvania showed a four-month increase of 26 percent. The total rose 22 percent in Massachusetts, 18 percent in New Jersey, 8 percent in New York and Ohio, 6 percent in Illinois and 3 percent in California.

Qualification for Class A-1 Auto Rating Is Eased

In all states where the private passenger automobile classification plan is available, class A-1 standing, under the rules of the National Bureau of Casualty & Surety Underwriters, is now given to those motorists that estimate they will not drive more than 7,500 miles in the next 12 months and meet the other qualifications for such rating. In the past the condition was that the assured should have driven not more than 7,500 miles in the preceding 12 months.

In a number of the states the change went into effect May 13, retroactive to March 1, and in the following states it went into effect May 15, retroactive to March 1: Arizona, Illinois, Indiana, Kansas, Minnesota, New Mexico, New York, North Carolina, Oklahoma, Oregon and Wisconsin.

In Indiana in retroactive application of the change the assured must be charged on a pro rata basis from the effective date of the policy until May 15 on the old basis and then is given credit pro rata for the balance of the term under the class A-1 rate.

Boston A. & H. Group Elects Officers, Hears Burdick

BOSTON—At the annual meeting of the Boston Accident & Health Association Byron P. Graff, Aetna Casualty, was elected president; Clarence Miller, Massachusetts Bonding, and Albert F. Moore, Massachusetts Indemnity, vice-presidents; W. E. Hanna, Commercial Casualty, secretary, and H. V. Madden, Boston Casualty, treasurer.

The new executive committee consists of W. A. Barr, Massachusetts Bonding; Lester L. Burdick, Commercial Casualty, retiring president; H. B. Fowler, General Accident; J. P. Farrell, Massachusetts Bonding, and J. M. Whittaker, Employers Liability.

Before the annual meeting members at an informal dinner participated in a general round table discussion.

In his talk, Mr. Burdick said that in these times when taxes are higher and there is a possibility of compulsory savings, with the buying of war bonds and stamps and the increased cost of living, the ability to lay aside any substantial amount of money for use in event of accident or sickness is reduced. Therefore it is a vital part of defense that wage earners protect their income by systematic savings through accident and health insurance.

Jack Lacy, well known in the sales training field, discussed "Star Salesmanship."

Hubbard Named Supervisor

Raymond O. Hubbard has been appointed supervisor in the Buffalo, N. Y., branch office of American Automobile. He is a native of New York state and completed his education at the College of the City of New York. He has been associated with the New York office American Auto for 10 years, doing writing and production work. Mr. Hubbard has had thorough training in compensation and liability coverages, as well as automobile.

Lapsation Problem Increases

COLUMBUS, O.—When speaking to the Columbus Accident & Health Association meeting, William Dignan, sales manager of the Lord Agency, Cincinnati, said it is important to realize that accident and health business is not easy to get. It is particularly difficult to make an increase if the agent has a sizable volume on the books exposed to lapse, cancellation and over age. If this is recognized the agent is more likely to acquire a sales attitude in keeping with present day conditions.

More than 100 members and guests attended the meeting.

Speakers Named for Detroit Session

Setup for Annual Meeting of National A. & H. Association Is Announced

DETROIT—Because of the big problems facing the business today, a large attendance is expected at the annual convention of the National Association of Accident & Health Underwriters at the Hotel Statler here June 29-30, according to Roy J. Long, Great Northern Life, general chairman.

W. S. Faber, general chairman of the program committee, has announced that while there will be no formal convention sessions June 28, all who can do so are urged to check in and register that day. The Detroit Accident & Health Association, host for the occasion, is planning an informal social get-acquainted session on the afternoon of June 28, followed by a moonlight boat ride on the Detroit river and Lake St. Clair or Lake Erie in the evening.

The regular convention sessions will get under way the morning of June 29. In keeping with the times, the convention program proper has been streamlined this year into two fast-moving days instead of the usual three days.

At a luncheon June 29, T. Russ Hill, president of Martin-Parry Corporation and Rexair, Incorporated, will speak. He is a nationally known figure.

That afternoon speakers on the program will be W. G. Alpaugh, Inter-Ocean Casualty, president of the Health & Accident Underwriters Conference; W. F. White, Globe-Indemnity, chairman of the Bureau of Personal Accident & Health Underwriters; Harold R. Gordon, Chicago, secretary of the Conference, and George L. Dyer, Columbian National, St. Louis, vice-president of the National association. The executive session of the association will be held at 4 p.m.

The final day of the convention will be the annual sales congress of the Detroit association. This will be its eighth annual sales congress and will be devoted to presentation of concrete sales ideas that every agent interested in the sale of accident and health insurance can take back home with him and turn into commissions on increased sales.

Speakers for the final day include E. H. O'Connor, Provident Life & Accident; S. C. Carroll, vice-president Mutual Benefit Health & Accident, and Frank Mueller, superintendent of agents of Continental Casualty. Efforts are being made to secure a group of Kansas City members to present their panel on "Meeting Objections."

The annual banquet will be held Tuesday evening, June 30.

It is not necessary to be a member of the National association or of a local association to attend the convention. All agents interested in learning more about accident and health business and in increasing their sales and volume in this growing branch of the business are invited. Those planning to visit Canada while in Detroit should have their birth certificates, and, if driving, automobile registration papers.

Mysterious \$20,000 Loss

NEW YORK—No clues have come to light as to the reasons behind the breakage of some \$20,000 of plate glass store fronts here in a single night recently. No situations exist which point to any logical culprits and the whole matter may have to be regarded as "one of those things." The damage was in the area between 42nd street and 57th street and between Broadway and Fifth avenue.

In some cases the panes were shattered and in others there were small holes, not much larger than would have been made by a bullet. No trace of the type of missile used has been found.

Casualty Leaders in Fla. and Ala.

Herewith are shown the 1941 premiums in Florida and Alabama of the 10 leading casualty writing companies in each state together with their 1939 production:

ALABAMA			
	1941	1939	
1. U. S. F. & G.	\$875,040	\$492,372	
2. Provident L. & A.	\$47,582	\$35,268	
3. National L. & A.	\$91,837	\$450,713	
4. Employers, Ala.	\$51,511	\$62,798	
5. Travelers	\$501,045	\$191,330	
Trav. Indem.	\$9,717	\$23,032	
Total	\$560,762	\$214,362	
6. Liberty Mut.	\$448,976	\$214,346	
7. Maryland Cas.	\$355,598	\$250,319	
8. Hartford Acl.	\$329,003	\$222,525	
9. State Farm Mut.	\$292,626	\$146,481	
10. Am. Mut. Llab.	\$245,350	\$445,393	
FLORIDA			
	1941	1939	
1. U. S. F. & G.	\$824,430	\$791,066	
2. Hartford Acl.	\$753,359	\$558,000	
3. Fla. & Cas.	\$590,692	\$411,350	
4. Amer. Surety	\$564,348	\$522,739	
N. Y. Cas.	\$115,743	\$33,802	
Total	\$680,091	\$186,541	
5. Am. Fire & Cas.	\$563,280	\$484,418	
6. Travelers	\$542,078	\$325,207	
Trav. Indem.	\$102,737	\$27,036	
Total	\$644,815	\$342,243	
7. Am. Mut. Llab.	\$538,533	\$376,391	
Am. Policyholders	\$39,182	\$13,511	
Total	\$577,715	\$389,902	
8. Cont. Cas.	\$517,085	\$412,904	
Natl. Cas.	\$75,373	\$4,956	
Total	\$592,458	\$467,760	
9. Maryland Cas.	\$482,780	\$341,073	
10. Standard Acl.	\$466,881	\$345,945	

Agents Eager to Learn, Hartford Accident Finds

The round table of educational and sales discussions held by the western department of Hartford Accident last week at Battle Creek, Mich., for agents there and in the surrounding territory was attended by about 35. Agents had a great many questions, and it was difficult for the company representatives from Chicago to cover all the subjects on the agenda.

Agents were particularly interested in the discussion on bonds, which was led by William H. Wallace, superintendent of the bonding department at Chicago. Apparently agents are looking to bonds, burglary, plate glass, personal liability, and general liability to take up the expected slack in automobile premiums. The discussion of personal liability was extensive.

Agents attended reported that there has been no loss in automobile premiums so far, but they are eager to familiarize themselves with lines not formerly pushed. Agents were guests of the company at a luncheon.

MEETING IN HUTCHINSON

HUTCHINSON — A special one day sales and educational meeting was conducted by the Kansas City branch of Hartford Accident here. Manager Paul Dow presided and the following spoke: Walt Heaney, chief underwriter; R. R. Thomas, superintendent fidelity and surety department; Roy Lawson, superintendent business development; Ed Carney and Bruce Wright, Kansas special agents. Similar meetings were held in Joplin and at St. Joseph, Mo.

Welton at Chicago Office

Vice-president Spencer Welton of the Massachusetts Bonding is temporarily at the Chicago office following the death of Resident Vice-president J. Stewart Pearce. He, like other agency executives, has his own troubles these days. Death and military service tend to decimate the ranks. Not long ago the Massachusetts Bonding manager at Des Moines died. Key men in a number of branch offices have been drafted or enlisted in military ranks. Mr. Welton, for instance, has three large city managerships now to fill.

Busily Planning to Enter Agency Field

Sterling of Chicago Has Made Much Success as Direct Writer

L. A. Breskin, president of the Sterling of Chicago, is now busily engaged in planning for an agency department. The company so far has relied on the radio and direct mail advertising for health and accident insurance, limiting its policies to those in the lower denomination. Last year the Sterling took in premiums \$1,450,928 as compared with \$837,738 the previous year. Its claim ratio last year was 22.8 percent. It has \$200,000 capital and \$241,570 policyholders surplus. Its assets are \$761,817. Its premium reserve amounts to \$356,591. With \$200,000 capital the company is authorized to write life insurance as well as accident and health. It has experimented to a certain extent in life insurance with the family group policy but has retired from that field.

Seeking Agency Man

As soon as a man can be secured to head the agency department the machinery will be set in motion to appoint agents in Illinois and adjacent states. President Breskin believes in intensive cultivation and therefore in the early days the agency work will be confined to four or five states. He asserts that the great source of disability insurance is in the masses. He has experimented sufficiently by coming in direct contact with the people to diagnose their needs and ascertain about what they can afford to buy in the way of protection. He has studied other mass production industries to analyze their methods and the policy they follow. With the radio and direct mail inquiries the Sterling has thousands of leads that it can give agents.

President Breskin believes that a combination life, accident and health policy can be written at a reasonable cost giving sufficient protection to tide over immediate needs. He is now developing his production plan. As soon as he secures someone to head the agency department he will be ready to set the machinery in motion. Mr. Breskin has made a success of his company and reached the conclusion that the time had arrived for him to extend its activities.

Mr. Breskin's Career

He was formerly a clerk in the Liberty National Bank of Chicago and then became assistant cashier. One day the chairman of the board told him that he had been granted a \$25 a month salary increase but that would be all for a long time to come. That made his salary \$3,200. Mr. Breskin began thinking of the future and felt that he was stymied so far as progress was concerned. He returned to the bank the next day and resigned.

Joined Equitable Society

Then he went into the life insurance business becoming connected with the Kellogg agency of the Equitable Life of New York, which is now the Reno organization. Immediately he became a success as a personal production man and his compensation the first year in the business ran to \$17,000. Later he became assistant manager. A friend of his talked to him about the possibilities of mail order business from an insurance standpoint. Mr. Breskin put in \$500 and his partner \$500. That was the beginning of the Sterling. It relied entirely on mailing lists until it supplemented this work through radio advertising. In fact, Mr. Breskin arranged for broadcasting from 17 different stations in the country. He discovered that people buying insurance over the radio are not particularly interested in anything that costs over \$10. Therefore, the Sterling has confined itself to low priced policies.

New Edition of "Time Saver" Now Is Off the Press

For almost 20 years each annual edition of the Time Saver has provided accident and health salesmen with accurate, complete analyses of the disability policies written by the leading companies. This covers the period of greatest expansion for the accident and health business.

The new 1942 Time Saver is just off the press. It contains the concise descriptions of the policies of more companies than any previous edition. A feature of the book is that it shows every commercial policy written by a company. Agents prefer a book that shows all the policies of each company rather than a few selected so-called leading policies. Policies of stock, and mutual companies, associations and companies writing business by mail are included.

Gives Rates for All Ages

By giving rates for all ages and "limitations" or exclusions for every policy, the description in the Time Saver method of analyses provides the active agent with the accurate data about contracts every producer needs. Policies of two companies which have not appeared in previous editions are included in this year's edition. These are World of Omaha, and North American Life & Casualty, Minneapolis.

Full descriptions of the policies of all the big companies are in the Time Saver and also the policies of many of the moderate sized and smaller companies.

Non-cancellable, guaranteed renewable contracts are described thoroughly. Amount of premiums written by the non-cancellable guaranteed renewable companies with losses paid on that type of business is shown. A popular part of the book is the financial statements of all the disability writing companies including the non-profit hospitalization associations.

One section devoted to company information gives lists of company officers, states in which company is licensed, etc. A special section explains the disability clauses of life policies of the leading companies.

The book contains almost a thousand pages of policy and other accident and health information which makes it the standard reference hand book of the business.

The 1942 Time Saver sells for \$4. It is published by The National Underwriter Company, 420 East Fourth Street, Cincinnati, Ohio.

New Aetna Life Movie, "Highway Sabotage"

Aetna Life has brought out a new sound motion picture "Highway Sabotage." The picture traces the far reaching effects of traffic accidents in the present all-out war production program.

A newspaper reporter uncovers the story of "highway sabotage" when he sets out to trace the possible effects on the war efforts of the continuing toll of auto accidents. He finds that hundreds of skilled workers are being injured every day. Automobiles are being wrecked, many beyond repair, with no hope of replacing them with new ones. Irreplaceable rubber and metal parts are being wasted through accidents.

Police, although heavily burdened in handling war traffic and other emergencies, must continue to devote a portion of their time in handling and investigating accidents. Highways and streets are being blocked by accidents every day, and traffic vital to the war effort is often held up.

As a supplement to the picture, Aetna has published a booklet "What Can I Do to Help America Win."

Study Effect of Boiler Change

Net Rate Level Is Increased 5.7 Percent Under New Program

The net increase in premium level in the boiler and machinery field after giving effect to the premium increases in the revised boiler and machinery manual and also to the concomitant graded premium plan for larger risks is estimated at 5.7 percent. The over all effect of the rate revision is an average increase of 17.7 percent in the rate level but the application of the graded rating plan has the effect of bringing the increase down to 5.7 percent.

The amount for inspection, loss and claim expense is constant for all premium sizes and hence there is no gradation of this item.

There is no reduction in the percentage of production cost allowance on the first \$3,000 of risk premium. The reduction in the amount of commission on premiums between \$500 and \$3,000 is due to the fact that the assured is allowed a 10 percent premium discount on this part of the bill. The reduction in commission accounts for only 2.5 points of the 10 percent discount, the balance coming from company items and taxes.

The reduction in the amount of production cost allowance on premium in excess of \$3,000 accounts for 14.5 points of the 30 percent premium discount allowed the assured, the balance coming from company items and taxes.

The average production cost allowance is reduced only .6 percent when related to the old rate level. The average allowance for administration expense is equivalent to 14 cents on the old level or exactly the amount in the old rate.

The average collectible rate level is 5.7 percent higher than the present which affords the additional amounts needed for inspection and losses in the light of past experience and present conditions.

The boiler and machinery earned premiums of stock casualty companies operating in New York last year amounted to \$12,460,666. Under the former rate structure the amounts available for production were \$3,115,166. Under the new rate structure the premiums would become \$13,170,924 after discount and the amount available for production would be \$3,042,484. Under the old setup the amount available for administration and supervision would be \$1,744,493 and under the new \$1,738,562; for inspection, losses and claim expense under the old level there would be \$6,354,940 and under the new \$7,072,786, and for taxes, profit and contingencies under the old \$1,246,067 and under the new \$1,317,092.

San Francisco Hero Honored

SAN FRANCISCO — Lumbermen's Mutual Casualty's medal for valor was presented to Ben Fricke of the Healy-Tibbitts Construction Company for conspicuous bravery in rescuing three fellow workers from San Francisco Bay last December.

After the U. S. Coast Guard tried in vain to reach the men clinging to an overturned floating pile driver in a 60 mile an hour gale and also had failed to land life saving lines on the wreck, Mr. Fricke, a powerful swimmer, swam out with a rope which he tied to the three men and himself. They were then pulled to safety through waves piling up more than eight feet high.

R. C. Barr, director of safety Kemper companies in San Francisco and chairman of the industrial committee of the San Francisco Safety Council, made the presentation, which was broadcast over the radio.

Manufacturers Casualty Has New Comprehensive Bicycle Coverage

Manufacturers Casualty has now issued a comprehensive full coverage bicycle policy providing liability protection of \$5,000, property damage of \$1,000; burglary, theft and larceny up to the actual cash value of the bicycle, and accident insurance of \$1,000 principal sum and \$12.50 weekly indemnity for 10 weeks.

The company points out that as time goes on the use of bicycles will increase and along with it the demand for bicycle coverage. The bicycle boom began in 1934, according to the company, but has been given a tremendous impetus by war conditions. Railroads now are promoting weekend bicycle trains, carrying the bicycle free in the baggage car on the regular train ticket. While defense workers probably will get first call on bicycles under freezing orders, the War Production Board has issued an order to the industry to produce 756,000 bicycles in 1942.

There is now available through the marine departments of some companies a policy covering fire, extended coverage, \$5 deductible collision, and theft. The premium in some territories runs \$5 on a bicycle valued at \$45 or less.

Resent Criticism of Agents as to Conferences

NEW YORK — Casualty company officials hold as unjustifiable the criticism to which they have recently been subjected by representatives of the National Association of Insurance Agents speaking at meetings that they are unwilling to confer with local agents, notably in the matter of proposed gradation of commissions and expenses in the initial stages, instead that they wait until a company plan has been fashioned, and then submit it to the local men for their consideration. The executives assert on the contrary that when the matter of gradation of commissions came prominently to the fore some 18 months ago, they told the agents that as a proper basis for study of the subject an actuarial analysis of all cost factors entering into the problem would be prepared and from this both agents and managers would outline their respective ideas, following which a joint conference could be held and an effort made to reach an understanding acceptable to both interests.

The local men, it is stated, failed to come forward with a program, but were sharply critical of that submitted by the carriers.

Malpractice Verdict for \$18,000 Upheld in Oregon

PORTLAND, ORE.—The supreme court of Oregon has upheld a verdict against three Portland eye, ear, nose and throat specialists awarding \$18,000 damages in a malpractice suit. The plaintiff, James Shives, alleged he was suffering from glaucoma but that the defendants neglected correctly to diagnose his illness. He said he lost the entire vision of his right eye and the vision of his left eye was impaired because the illness was not detected. The defendants were Dr. C. T. Chamberlain, now deceased, Dr. Harry M. Hendershott and Dr. Wilford H. Belknap, who were insured with Metropolitan Casualty under a group malpractice coverage with limits, it is understood, of \$25,000/\$75,000.

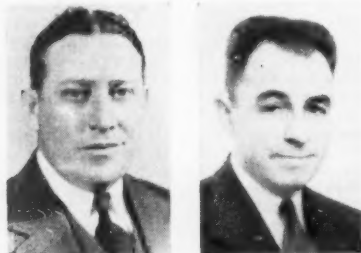
Conference Grants Requests

LOS ANGELES — The Automobile Conference of Southern California granted requests of company members for concessions in territorial limitations. These concessions were sought in view of making filings in compliance with the new automobile agreement promulgated by Commissioner Caminetti seeking to remedy the fictitious fleet situation.

ACCIDENT AND HEALTH

Two Promotions Announced by Union Mutual Life

Frank E. Shreve has been appointed assistant superintendent of agencies in charge of monthly-premium accident and health business of the Union Mutual Life. Since 1936 he has served as agency supervisor for the company in



F. E. Shreve

J. P. Brady

several eastern and mid-western states, residing in Erie, Pa. He has had many years of successful sales experience in the field and at one time was a general agent. His original sales thinking has given him considerable recognition in the field. Best known of his ideas has been his "House of Life" sales talk which is generally recognized as one of the most effective in the business.

John P. Brady will become manager of claims in the accident and health department, succeeding Victor R. Weston, resigned. Mr. Brady became claims adjuster of Massachusetts Accident in New York City in 1934 and was transferred to Boston as claims manager when Union Mutual took over the business of that company several years ago. A graduate of Cornell University in civil engineering, Mr. Brady was an engineer on large construction jobs until 1932, when he entered accident and health insurance as an agent in New York City.

Both men will move to Portland and will take up their new duties about June 1.

Philadelphia Association Elects

At the annual meeting of the Accident & Health Association of Philadelphia, Robert S. Schoonmaker, Jr., Globe Indemnity, was advanced from secretary to president, succeeding John W. Sassman, Employers Liability. J. S. Sykes was elected vice-president, Gerald H. Martin, secretary, and Kenneth Kleckner, treasurer. New members of the executive committee are Mr. Sassman, Fred M. Walters, General Accident, and A. L. O. Rasch, Massachusetts Bonding.

President elect Schoonmaker gave many practical ideas on the sale and supervision of accident and health insurance.

Probe Social Security Proposal

LOS ANGELES—Otto Kloppenburg, Hartford Accident, president of the Accident & Health Managers Club of Los Angeles, at the meeting this week, named Powell Smith, Occidental Life, and John Ford, Pacific Mutual Life Insurance Co., to serve on a committee with himself in making a study of the proposed change in the social security act, and report later to the club as to how it will affect the members if finally enacted.

He also announced that a meeting will be held June 1 with those accident and health producers who desire a producers organization here. The meeting will take up further plans for the new organization.

Union Mutual Correction

Because the compilers of the 1942 Argus Casualty Chart overlooked a bookkeeping item the 1941 accident and health figures shown on page 151 for Union Mutual Life of Portland, Me., show disbursements in excess of income.

Actually the underwriting expenses paid should be \$304,709 and total disbursements \$563,771.

This changes the ratio of underwriting expenses paid to net premiums written to 53.7 and the combined loss and expense ratio to 99.4.

New Columbian Protective Form

Columbian Protective has put out a new hospitalization policy for women, called the "model" policy, which provides hospital expenses of \$4 to \$8 per day, medical or surgical expenses up to \$150, nurse service and income during disability. It is intended to cover the specific needs of unattached women—single, divorced or widowed—as well as children residing with their widowed or divorced mothers or female guardians. Lahm, Inc., of Newark handles the hospitalization department of Columbian Protective.

Form Spokane Association

SPOKANE, WASH.—The Spokane Association of Accident & Health Underwriters has been organized here. J. W. Martin, Loyal Protective Life, Portland, Ore., regional director of the National association, was in Spokane to help set up the new group.

Temporary officers were named as follows: President, August Balinski; secretary-treasurer, C. Todd Oien; executive committee, J. B. T. Martin, C. Budd Long and E. L. White. Organization work will be completed June 19.

Boston Claim Men Elect

BOSTON—The Boston Life & Accident Claim Association at its annual meeting elected Vincent A. Fay, Equitable Society, as president to succeed G. Owen Flynt, Monarch Life. William I. Newton, Craftsman, was elected vice-president; John S. Whittemore, Eastern Commercial Travelers, secretary, and George Bacon, treasurer.

CHANGES

Claude Trinder Is Retiring

Claude E. Trinder is retiring June 1 from active service with Royal Indemnity and Eagle Indemnity, of which he has been vice-president. He went with Royal in 1918 as counsel for the bonding legal department and was elected vice-president in 1922 and a director of both companies in 1936.

Mr. Trinder graduated from Syracuse University law school and then went with the Syracuse law firm of White, Cheney, Shinaman & O'Neill. Eight years later he joined the Syracuse Trust Company and five years after that was elected president of the Keystone Credit Company of New York.

During the liquidation of Hare & Chase of Philadelphia in which Royal Indemnity was interested on automobile conversion bonds, Mr. Trinder was elected president of that firm. He is 61 years of age.

F. J. O'Neill of the Syracuse law firm, now president of Royal and Eagle Indemnity, was then local attorney of Royal Indemnity in Syracuse. In 1915, Mr. O'Neill went to New York to become general counsel of Royal Indemnity and three years later Mr. Trinder joined the company as counsel of the bonding claims department.

J. W. Lamble Named Car & General Secretary

NEW YORK — J. W. Lamble has been appointed branch secretary of Car & General. For the past 13 years he has

been comptroller in charge of combined statistics and agency accounts for Fidelity & Guaranty Fire. John B. Bolton, who has been branch secretary of Car & General for several years, so continues, taking on important duties in the underwriting department.

Travelers Makes Several Casualty Appointments

Travelers has promoted Arthur G. Fox, former field assistant at Detroit, to assistant manager of fidelity and surety lines in Grand Rapids, Mich., effective June 1. William C. Youmans, previously field assistant in the casualty department at Reading, Pa., becomes assistant manager there.

Mr. Fox joined the company after being with Employers' Liability. Mr. Youmans was with Tidewater Oil Company before joining Travelers at Newark in May, 1930. He was transferred to Reading in 1937.

Eighteen graduates of Travelers home office training school recently have been given their first assignments as casualty field assistants: J. William Bagley at Reading; Harry L. Blair, Detroit; Robert H. Card, Oklahoma City; Robert B. Chamberlain, Louisville; Leroy J. Cosby, Richmond, Va.; Charles W. Crabb and William H. Hines, Los Angeles; Alvin

G. Dodd, Bridgeport, Conn.; C. Burton Frawley, Jr., Syracuse, N. Y.; Henry A. Hayward, Boston; Richard E. Hughes, Albany, Robert K. Nelson, Columbus, O.; Russell M. Pelton, Indianapolis; Joe E. Rumbel, Des Moines; Lewis D. Scott, New Orleans; Winston B. Smilie, St. Louis; William A. Swartman, Newark, and Jackson M. Whiteside, St. Paul.

Orth Named at Syracuse

John J. Orth, previously assistant manager of Travelers at Syracuse, N. Y., has been named acting manager in the absence of Harold D. Dyke, now serving as a lieutenant colonel in the army. Ralph D. LeFevre, former assistant in that office, has been promoted to assistant manager.

Mr. Orth has been with Travelers since 1930, when he was appointed a casualty field assistant at Newark. He was transferred to Syracuse in 1935, and became assistant manager there in 1938. Mr. LeFevre, a graduate of the Travelers home office training school, was appointed a casualty field assistant at Syracuse in 1929.

Patrick E. Arneson, field assistant in the casualty department at Oklahoma City, has been promoted to assistant manager. Mr. Arneson was assistant cashier and counterman for Travelers at Oklahoma City nine years before his ap-

The OHIO CASUALTY INSURANCE COMPANY

Home Office • Hamilton, Ohio

CAPITAL \$1,200,000.00

SURPLUS \$2,473,377.96

ASSETS \$10,665,673.70

Full Coverage Automobile
Special Automobile Accident
Fidelity & Surety Bonds
Plate Glass - Liability
Burglary

— Other Offices —

Baltimore - Chicago - Cincinnati - Cleveland
Columbus - Dallas - Denver - Detroit - Des Moines
Harrisburg - Indianapolis - Los Angeles - Louisville
Milwaukee - Oklahoma City - Peoria - Philadelphia
Pittsburgh - Portland - San Francisco - Seattle
Topeka

When you locate your insurance business in the Insurance Exchange Building



You are in the
center of all insurance activities

When your Chicago office is located in the Insurance Exchange Building, you get your full share of the premium volume—you have the advantage of easy, personal contact with other insurance people and organizations. YOU are in the very center of all insurance activities without stepping outside this huge, modern insurance building.

Here are located the offices that write over 95% of the fire and casualty premiums and allied

insurance lines produced in metropolitan Chicago. More insurance dollars are brought into the Insurance Exchange Building than any other place! Get your full share of these dollars by locating your Chicago office in the Insurance Exchange Building.

The management of the Insurance Exchange Building is qualified by specialized training to handle your insurance office problems. Our many years of experience are available to you. Call or write for complete rental information.

R. C. SWANSON, Manager

Insurance Exchange Building

175 WEST JACKSON BLVD • CHICAGO

pointment as a field assistant there in April, 1940.

William E. Shiels, Jr., casualty field assistant and son of Travelers' former casualty manager at Los Angeles, has been transferred from the Oakland branch to San Francisco. A former special agent for Globe Indemnity, Mr. Shiels attended the Travelers school and was appointed a field assistant at Oakland in August, 1940.

James M. Crawford Promoted

James M. Crawford, former assistant secretary of Indemnity of North America, has been named assistant vice-president.

COMPENSATION

Watch Effect of Women Workers on Experience

The number of women in war industries is rapidly increasing and underwriters are closely watching the possible effect on compensation insurance, according to John P. Keevers, resident vice president of Maryland Casualty, Chicago. There are several other developments in the field; for instance, non-war industries are drying up off-setting to some extent the premium increase from industries with war orders. But the most unusual development of immediate interest is the increase in women now subject to the compensation laws.

A very high percentage of compensation claims have been from men, but this proportion is beginning to shift. Many insurance offices, with as many male claims as ever, are getting many more female claims. Yet there is not enough evidence to date to determine what the difference will be between the two types.

Plants Are Set Up for Men

Most plants are set up for men, Mr. Keevers said. The lights, benches and working processes were designed for them. Consequently some modification of procedure may be necessary for women. With a number of women workers, the whole atmosphere changes. The usual ills of women must be recognized. The personnel manager who is extremely successful with men, may not be so with women. A man will work with a cut finger, but will a woman? In some phases of industry women already have shown they are more manually dexterous than men; in certain parts of airplane manufacture, for instance.

Over a period of years the insurance companies working with industrial management have gotten men safety conscious, and for those in industry any length of time this consciousness has reached a high point. Perhaps a different approach may be required to reach women with safety education. Wherever they may have worked, men have heard and learned about safety, until it has become pretty instinctive. This is not true of women. Already, in those plants where women are working, more women than men, proportionately, are failing to report for work because of injuries outside of the plant. Of course, if a person becomes safety minded, as the men have done, they do not lose their safety consciousness while off the job.

Employ Women Claim Adjusters

Some companies already are employing women claim adjusters. They understand better the psychology of women. A malingering woman might fool a man but is not so likely to fool a woman. When dealing with injured women, a man cannot get around as readily as a woman.

Women, now earning considerably

more money than usual, may turn out to be a big class of automobile purchasers in the second hand market, which is the only one that is open, he said.

A year ago aircraft factory compensation was a small matter, but it has grown tremendously, and is still growing. Payrolls are already as much as three times greater than a year ago. These factories haven't the background of safety that some of the other types of plants have; they haven't the core of safety minded employees who have been with them a long time.

Experience on compensation is behind the rating structure approximately one year. In the present time of rapid changes the companies can't tell what is coming. Compensation benefits are paid on the average wage. On a rising wage scale, more is paid. In practically all cases today companies are paying the maximum, not the minimum, because of increased earnings. Payrolls are greater, but also payments are greater. It may be that the policy was issued on a rate contemplating minimum payments, but the experience is working out on the basis of maximum payments.

The cost of settling claims is rising sharply because of increased expenses: hotels are up 10 percent, traveling is higher, help must be paid more.

The threat of federal taxation has pro-

duced a change in the minds of the executives of some of the larger industries because if they have to give back 94 percent of dividends as excess profits, then the rate is not the factor it has been heretofore.

Order Repayment of Funds Advanced by Agency

LANSING, MICH.—The state supreme court has upheld Maxwell Underwriters, Detroit agency, in suit against R. E. Zimmerman, a former client, to collect \$2,052 advanced in 1931 by the agency to meet a compensation claim out of funds due Pennsylvania Society that had just failed. R. W. Maxwell had advanced the money out of the funds owed by the agency to the defunct carrier under an agreement that specifically stated that the insured would repay the amount if the agency was ever required to pay the sum to the insurer or its liquidator. Eventually a settlement was made by the agency under which approximately \$12,300 was paid on \$16,000 owed at the time of the insurer's failure. When suit was brought in lower court against the Zimmerman concern, however, the court directed a verdict of no cause for action on the basis that there was no showing that the agency had

paid to the insurer's receiver the specific amount involved in the deal with Zimmerman.

The supreme court found the lower court had erred in its findings and ordered payment of \$1,577 to the agency, the proportional amount due under the compromise settlement effected with the insurer.

New Endorsement in New York

NEW YORK — Companies writing workmen's compensation insurance in this state will be required to use the subjoined endorsement upon all policies effective on and after July 1, the Compensation Insurance Rating Board advises. The endorsement: "The Company and the Compensation Insurance Rating Board shall each be permitted, at all reasonable times during the policy period, to inspect the work places, plants, works, machinery and appliances covered by this policy and shall each be permitted, at all reasonable times during the policy period and any extension thereof and within three years after the final termination of the policy, to examine the employer's books, vouchers, contracts, documents and records of any and every kind which show or tend to show or verify the remuneration or other basis in respect to which premium is payable."

2833
JOHN R STREET

CADILLAC 3707

LOCATION OF PREMISES 9930-50 Wyoming Avenue

HOW MET Retail

DATE OF SURVEY 10/23/41

PLATE GLASS SURVEY REPORT FOR

see below

NO. OF WORKMEN	DESCRIPTION OF GLASS
2 68 77	9830 - Tailor Shop
2 44 77	fronts
1 22 58	returns
	door
2 76 77	9834 - Bakery
2 44 77	fronts
1 22 58	returns
	door
4 62 77	9830-42 - Grocery & Meat Market
4 44 77	fronts
2 22 58	returns
	doors
1 124 77	9846-50 - Beer Garden
1 42 77	front on Orangelaan
1 22 58	return
1 45 77	door
1 87 77	return
1 86 77	front
2 72 77	"
2 44 77	returns
1 22 58	door

- OVER -

VALUABLE INFORMATION

.. its yours for the asking!



PETERSON GLASS COMPANY SURVEYS HELP YOU IN 3 IMPORTANT WAYS...

WRITE OR CALL

Cadillac 3707

1. Peterson Surveys give you valuable information regarding our experience in connection with plate glass replacements in over 18,000 stores in metropolitan Detroit.
2. Peterson Surveys help your underwriter to spot risks with bad experience, at a glance.
3. Peterson Surveys help boost your profits by reducing your plate glass loss ratio to the minimum.

Peterson Glass Company is the originator of this type of service in Detroit.

PETERSON GLASS CO., 2833 JOHN R ST., DETROIT

SURETY

Hartford A. & I. Treasury Limit Nearly \$3,000,000

The NATIONAL UNDERWRITER regrets that an error was made in the table that was printed in the May 21 edition giving the figures from the Treasury department's most recent list of acceptable sureties on bonds running to the United States government insofar as Hartford Accident is concerned. The correct underwriting limit for Hartford Accident is \$2,984,000 rather than the figure of \$1,500,000 which was shown. The error is obvious to anyone that is at all familiar with company standings.

Hartford has the largest qualifying power of any company.

Minnesota Case on Bond

ST. PAUL—The Minnesota supreme court, in a case involving New York Casualty, refused to permit the company to attach funds due a contractor on a municipal contract to satisfy a default which the surety had paid on a previous contract. The funds had been pledged as security for a bank loan made for the second contract.

Both contracts were city paving jobs. The first, at Madelia, caused a loss to the surety of \$1,300. Burns, the contractor, then took a similar contract at Owatonna, Minn., borrowing money from the Farmers State Bank of Madelia and assigning the contract to the bank. He also owed the bank money on the Madelia contract. The city of Owatonna paid him as the work progressed and the surety did not attempt to attach payments until the work was completed and there was a balance of \$1,082 owing Burns. The surety relied upon the subrogation clause in its bond and also on the indemnity agreement signed by Burns, which included a pledge of money and securities due on other contracts. The court held that this did not take precedence over the specific pledge of the contract to the bank.

Detroit Loses Bond Suit

LANSING, MICH.—The city of Detroit has lost its suit in the state supreme court in which it sought to collect on a \$300,000 depository bond in the defunct Central West Casualty, for which Commissioner Berry is receiver. It was held that the claim was barred by the limitation period set forth in the bond and the terms of the ordinance which designated the depository.

Farewell for R. A. McKinney

LOS ANGELES—The Surety Underwriters Association of Southern California turned its meeting into a send-off party for R. A. McKinney, who resigned as Los Angeles manager of Massachusetts Bonding to become associated with San Jose, Cal., firms in defense work.

C. B. Ogden, formerly superintendent of the bond department of the old Union Indemnity, is now with the bond department of Black, Rogers & Co., New Orleans.

F. Stanley Plews, Travelers Indemnity, spoke before the Los Angeles branch of the National Association of Bank Auditors & Controllers on "The Why and How of Fidelity Losses."

Permits Pro Rata Cancellation

Commissioner Erickson of North Dakota has given permission to insurers to cancel pro rata automobile policies of assured that enter the armed services and those that have no further use for their cars due to gasoline or tire restrictions.

ASSOCIATIONS

Honeywell Baltimore President

James O. Honeywell, assistant secretary of New Amsterdam Casualty, and Frank Fisher, superintendent safety engineering department U. S. Fidelity & Guaranty, were elected president and vice-president, respectively, of the Casualty & Surety Club of Baltimore at a dinner meeting. F. H. Strickland, vice-president New Amsterdam, and William

H. Moore, manager attorneys list department U. S. F. & G., were reelected treasurer and secretary, respectively.

Those elected to the board of governors are: E. Kemp Cathcart, assistant director bonding claims division Maryland Casualty; J. Harry Bibby, assistant casualty director U. S. F. & G.; E. Milton Smith, assistant secretary Fidelity & Deposit; J. Fred Eierman, assistant secretary New Amsterdam.

Chicago Engineers to Hear Yellott

The Casualty Engineers Association of Chicago will hold a dinner meeting

June 12 at Klein's restaurant, 302 South Wells street. John I. Yellott, professor of chemical engineering at the Illinois Institute of Technology, will speak. Mr. Yellott is chairman of the war training committee of the institute. The meeting is open to everyone in the insurance field who is interested.

Sullivan Is Kansas City Speaker

The last meeting for the season of the Casualty & Surety Association of Kansas City will be May 29. W. G. Sullivan, Hartford Steam Boiler, will discuss the new boiler insurance set-up.

THIS ADVERTISEMENT REACHES YOUR PROSPECTS IN BUSINESS AND BANKING MAGAZINES



**"Joke's on him . .
... we have no
Liability Insurance!"**

But the "joke" is really on the lady, if she has to pay a liability claim for injury. There are many grounds for suits and every owner and tenant should have the coverage of our liability policy. Don't be Overconfident. Let our agent or your own broker make a complete survey so that you are adequately protected from loss.

BE SURE—INSURE!

**AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY**

Home Offices: New York
FIDELITY • SURETY • CASUALTY

PERSONALS

Maj. Howard A. Giddings, vice-president of Travelers in charge of agencies



Maj. H. A. Giddings

in the casualty end, was detailed to represent the Military Order of Foreign Wars of the United States at the commencement exercises at West Point and to present the prize annually bestowed by the order on the cadet graduating with the highest standing in economics and government. The presentation was made Wednesday at a regimental parade for presentation of stars and awards. Major Giddings formerly was vice commander-general of the order and has been commander of the Connecticut commandery for many years.

James Giddinger of the legal staff of Pacific Indemnity is in the Hollywood Hospital with a broken neck, sustained in an automobile accident.

L. S. Moorhead, president of Associated Indemnity and Associated Fire & Marine, has been appointed a member of the war production fund to conserve manpower now being organized to develop a more effective accident prevention campaign among the war industries of the nation by the National Safety Council.

William C. Eaton, assistant U. S. manager of Zurich, was laid up for two weeks with a sprained ankle and knee that he suffered in a fall on his boat.

D. A. LaRocque, superintendent of the compensation and liability department of London Guarantee and Phoenix Indemnity, has been in Chicago during the last week completing a tour of the middle west.

DEATHS

Former President of N. Y. Casualty Dies

J. Carroll French, 71, who retired a few years ago as president of New York Casualty, died recently in a hospital at Orlando, Fla., after a brief illness. He



J. CARROLL FRENCH

had been residing in Orlando since his retirement from active service about 10 years ago.

Mr. French was born in Tuckerton, N. J., and went with New York Plate

Glass, which became New York Casualty in 1925, in March of 1894. He was appointed assistant cashier and the next year cashier. He was elected assistant secretary in 1902, secretary-treasurer in 1905, vice-president and secretary in 1920, and president in 1921. After retiring as president he served for two or three years as vice-chairman of the board. He also was secretary of City of New York Insurance Company from its organization in 1905 until it was purchased by Home in 1920.

When Mr. French went with New York Plate Glass, it was but three years old.

Franklin C. Shuman, 38, special agent of Employers Liability at the home office and a former pitcher with the Cleveland Indians, died at a hospital in Weymouth, Mass. He attended Tufts college, where he starred on the baseball team, and received a degree in mechanical engineering.

COMPANIES

Commercial Indemnity Shares Are Being Sold

The investment firm of Smith, Burris & Co., which has offices in Chicago, New York and Indianapolis, is distributing 310,000 shares of the Commercial Indemnity of Indianapolis. The par value is \$1 and the market value is \$3.50. After commissions of 15 percent are paid the net proceeds go to the company. For the present, stock is being offered only in Indiana but the financial firm states that the issue is being prepared for filing with the SEC and then it will be sold nation-wide.

The company was incorporated Nov. 12, 1939. Its stock sales were handled by Arthur H. Wyatt. On Feb. 14, 1941, the company was licensed by the Indiana department with capital of \$100,000 which was increased by additional stock sales to \$166,644 as of Dec. 31, 1941.

Michigan Reciprocal Is Placed in Receivership

LANSING, MICH.—Commissioner Berry of Michigan department has been designated by Circuit Judge Hayden of Ingham county as liquidating receiver for National Automobile Owners Inter-Insurance Association of Gladstone. The reciprocal was placed in temporary receivership Feb. 10 on the commissioner's petition after examination showed a large deficit.

G. W. Sullivan, Escanaba, was named deputy receiver by the commissioner to take active charge. **T. V. Doyle**, Menominee, was named counsel. An attorney may be designated in St. Paul, since a large part of the carrier's business was done in Minnesota.

Chief asset is \$50,000 bond deposit with the state treasurer, Commissioner Berry said. Other assets are estimated at not more than \$5,000 or \$6,000, since some \$50,000 in accounts receivable are largely wiped out by cancellations. The deficit over and above assets was estimated in excess of \$51,000.

Under terms of the policy contracts written it will be possible to levy an assessment on policyholders amounting to an additional year's premium. The reciprocal had between 4,000 and 5,000 policies in force and premium income from Jan. 1, 1941, to the date of the temporary receivership petition amounted to approximately \$204,000.

Commissioner Berry cited as evidence of mismanagement that \$25,000 was paid out in Minnesota alone in adjusting \$102,000 in claims. **Louis M. Empson** was attorney-in-fact and **Martin Imm** was agent in Minneapolis who accounted for a large part of the reciprocal's volume.

Gulf Advances Johnson, Reed

Gulf has advanced **Kellum Johnson** from assistant treasurer to treasurer. He

will fill the place left vacant by **J. E. Chenaault**, who recently resigned to become associated with Houston Fire & Casualty. **Harry H. Reed**, now in charge of the statistical department of Gulf, has been appointed assistant treasurer.

Guest Verdict in Michigan

LANSING, MICH.—The Michigan supreme court, after rejecting a number of appealed claims since passage of the guest passenger act a decade ago, has just affirmed a \$3,500 judgment in a Manistee case, **Anna Sorenson vs. Emma Wegert**, in which a jury's verdict of "gross negligence" is found to have been fully justified.

Mrs. Sorenson was seriously injured when a car driven by the defendant collided with another machine headed in the opposite direction. There was testimony that the driver, Mrs. Wegert, had had several glasses of beer and had then driven in erratic and reckless fashion, engaging the while in a heated argument with her husband who was riding in the back seat and who, with other members of the party, was said to be seeking to dissuade his wife from continuing to operate the car.

The court stated that it had often been asked to decide "where negligence ends and wilful and wanton misconduct

begins" but it had been unable to arrive at any "hard and fast rule" and that all such cases arising under the guest passenger act must be decided on their individual merits.

History of Underwriting Gain of Mutual Companies

According to the casualty experience exhibit, the net gain from underwriting nation-wide of mutual casualty companies operating in New York was 21.9 percent or \$220,926,365 for the years 1935-1941 inclusive. The net gain in 1941 was 19.3 percent or \$37,889,511; in 1940, it was 21.3 percent or \$35,429,926; in 1939, it was 23.2 percent or \$35,998,144; in 1938, it was 24.3 percent or \$36,493,186; in 1937 it was 24.2 percent or \$32,581,056; in 1936 it was 20.9 percent or \$23,447,408 and in 1935 it was 20.1 percent or \$19,087,134. Total premiums of the mutual companies for the period 1935-41 inclusive were \$1,101,555,905.

Insurance Counsel Meeting

The annual meeting of the International Association of Insurance Counsel will be held at the Greenbrier Hotel, White Sulphur Springs, W. Va., Aug. 31-Sept. 2. The American Bar Association will hold its annual meeting at the same place the previous week.



... Bituminous Has Been On the Job

YES sir, for 25 years the Bituminous Casualty Corporation has been on the job — and today we are one of the largest agency companies in America specializing in Workmen's Compensation, Public Liability and Property Damage coverages.

Assets now exceed \$9,000,000.00 and our safety engineering and claim services are second to none!

Bituminous Casualty now operates in 20 states and has claim offices in each one to offer the best possible claim service to policyholders.

Investigate today—we'd like to tell you more about it!

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND ILLINOIS



War Risk Accident Form on Pool Basis

(CONTINUED FROM PAGE 21)

dealt with the questions of what to do about office equipment, protection of records in case of bombing or other catastrophe, personnel problems and other similar topics.

Claim Men to Meet in Chicago

The annual meeting of the International Claim Association will be held at the Edgewater Beach Hotel, Chicago, Sept. 14-15, it was announced this week by L. L. Graham, Business Men's Assurance, secretary of the association. The meeting has been shortened from the usual three days and will be strictly a business session, with all frills eliminated.

Pleads Guilty in Mo. Ring Case

HANNIBAL, MO.—Dillard Vernon Mardis, 49, former operator of a benefit society at Kirksville, Mo., pleaded guilty in federal court here to charges that he used the mails in a scheme to defraud insurance companies in connection with faked accidents.

Mardis was one of 80 indicted as the result of the operations of a fake accident ring in north central Missouri. About 60 have entered pleas of guilty.

Brennan Now Agency Aid

Adrian J. Brennan of the advertising and publicity department of Aetna Life has been appointed agency assistant in the casualty agency department in succession to the late J. E. McKinney. Connected with Aetna Life organization since 1918, Mr. Brennan was first in its actuarial department for several years, being transferred to the life agency department in 1928. Two years thereafter

he became a member of the publicity division.

Four New Aetna Casualty Movies Are Exhibited

"Let's Be Ready," a new motion picture dealing with air raid precautions, was the feature of the Aetna Casualty's exhibit in the greater New York safety conference. The film, sponsored by the Connecticut defense council, was produced by Aetna's safety education department, as a contribution to civilian defense. It contains instructions for preparing homes against blackouts and air raids, choosing and furnishing shelter rooms, and securing necessary equipment for reducing damage from incendiary bombs.

Another new picture, "Connecticut Delivers On Time," sponsored by the Connecticut highway safety commission, was displayed, and also "The Right to Drive" and "Thou Shalt Not Kill," pictures relating to the New York state safety responsibility law.

Many insurance salesmen are confronted with prospects with whom it is difficult to deal. They are impatient, often impetuous and opinionated. Some business is exceedingly hard to underwrite and shape up so that it will be an insurable proposition. Yet many agents take great pride in handling these difficult situations because they realize that after all a successful business does not consist in holding a good hand but in playing a poor hand well.

Standard Accident has presented a bronze 35 year service plaque to C. K. Salisbury & Son, Mt. Vernon, O.

The Surety Association of Michigan held a golf outing at Red Run Country Club, Detroit, last week. About 30 attended. Thomas Eggleston, Aetna Casualty, was in charge of arrangements.

Accident Trends Affected by War Showed by Returns

HARTFORD—Americans played less last year, and as a result fewer were hurt at their fun, according to an analysis by Travelers of the 33,827 personal accident claims on which it paid \$3,697,124 in 1941.

Accidents in and immediately outside assured's house made up 37 percent of the Travelers' accidents total, with sports and recreation next, and automobiles third.

There was a notable drop in the number of casualties at parks, outings, and picnics, but more at places of relaxation nearer home, such as theaters, churches, and concerts.

Fewer mishaps took place in nearly all sports, particularly skating and skiing, though they still produced nearly five times as many casualties as 10 years ago because of increased participation. Exceptions to the lower trend in sports were bowling, at which more than 2½ times as many persons were hurt as in 1931; fishing, football, and horseback riding. Baseball took the greatest single toll of casualties, polo the smallest. Golfing accidents were fewer.

Probably because more than 1,500,000 young men were in the armed services, there was a decided drop in the number of accidents while dancing, which produced a casualty list of formidable size the previous year.

There were fewer stove and radiator burns and falls on rugs or slippery floors than in 1940, but householders had a harder time getting in and out of bed without injuring themselves. There were fewer collisions with inanimate objects, indoors and out, but blackouts may reverse this trend.

There was a 55 percent increase in

plant and shrub poisonings incurred on insured's premises, and the 1941 total was three times that in 1931.

Rejects Blackout Exclusion

Commissioner Blackall of Connecticut has declined to give approval to a form of medical expense endorsement to the automobile liability policy that was submitted to him by an out of state insurer that would have excluded claims arising from blackout conditions.

la. "Notice" Issue Still Unsettled

DES MOINES—The Iowa supreme court failed to clarify an earlier opinion on the 30-day notice statute in a supplemental opinion handed down in the suit of Marcel Conrad vs. Midwest Coal company and Pioneer National Casualty.

The supplemental opinion held that Pioneer National Casualty should pay a compensation claim because its policy was in force and effective on the date of the claim.

The decision observed that an amendment to the policy stated "the employer agrees on or before the 10th day of each month to pay premium thereof computed upon the basis herein specified" and added that this demonstrates the parties contemplated a continuing policy.

The court in its original decision gave a far-reaching interpretation of the 30-day forfeiture notice statute which was contrary to a ruling handed down by the insurance department 20 years ago. The decision contended a 30-day notice must be given to terminate a policy.

Three mutual companies had appeared in the case claiming that a standard-form fire or casualty policy written for a stated policy period terminates at the expiration date without any notice to the insured. The three companies were Allied Mutual Casualty, Employers Mutual Casualty and Town Mutual Dwelling.

The supreme court in its supplemental opinion made no reference to the 30-day notice arguments.



A Comprehensive Reinsurance Service

Casualty and Bonding Lines

GENERAL
REINSURANCE
CORPORATION

Fire and Allied Lines

NORTH STAR
REINSURANCE
CORPORATION

90 JOHN STREET, NEW YORK
200 BUSH STREET, SAN FRANCISCO

Casualty Net Premiums and Paid Losses in 1941 in ALABAMA

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Premia.	Premia.	Premia.	Premia.	Premia.	Premia.	Premia.	Premia.
Accel. & Cas.	44,053	3,267	32,090	4,595	200	1,129	29	216
Aetna Cas. & Sur.	233,163	81,613	74,792	36,662	33,459	2,426	46,616	17,123
Allstate	19,627	2,520	15,986	1,552	.....	.....	.....	.....
Amer. Auto.	52,346	31,066	41,689	23,941	.....	128	.....	.....
Amer. Cas.	37,178	14,304	16,572	7,699	3,009	2,606	.....	1,279
Amer. Employers	50,035	9,499	22,967	2,672	1,836	869	8,434	2,194
Amer. Fld. & Cas.	55,612	16,865	44,691	12,931	.....	.....	192	13
Amer. Indem.	42,956	16,275	25,854	9,526	825	.....	1,541	598
Amer. Motorists	16,560	2,649	1,355	171	463	.....	1,466	294
Amer. Mut. Liab.	245,350	121,151	35,871	13,744	14,205	7,060	.....	79
Amer. Reins.	13,960	1,907	1,907	.....	31,433	9,975	31,761	3,340
Amer. Sur.	77,845	9,605	11,062	6,437	2,370	99	53,950	659
Arex Indem.	3,560	3,978	1,254	1,093	67	2,677	.....	700
Assoc. Indem.	13,371	.....	99	.....	46	12,280	.....	919
Bankers Indem.	921	177	328	.....	98	201	38	.....
Bituminous Cas.	174,941	60,630	.....	7,476	512	165,787	60,151	.....
Cas. Recip. Exch.	36,937	19,888	17,061	10,377	1,019	209	11,430	4,029
Celina Mut. Cas.	11,639	4,279	8,510	3,083	.....	.....	.....	.....
Central Surety	34,322	11,961	18,406	4,079	3,002	2,703	2,022	831
Century Indem.	3,774	2,030	932	.....	170	279	1,830	1,690
Columbia Cas.	49,133	8,041	8,890	650	4,332	418	13,376	3,897
Commercial Cas.	74,327	43,423	14,761	2,615	6,251	1,559	.....	6,739
Commercial Stand.	3,206	2,543	1,247	1,119	.....	.....	1,672	121
Consolidated Underw.	65,611	26,660	7,615	1,174	1,846	.....	51,978	23,109
Continental Cas.	204,171	119,162	39,892	30,708	2,200	553	9,741	3,633
Eagle Indem.	61,375	21,281	19,122	14,803	1,735	175	8,263	2,200
Employers Ins.	551,511	209,367	110,812	34,635	22,542	8,365	322,742	118,719
Employers Liab.	163,704	39,859	77,140	25,180	7,939	2,138	40,914	327
Employers Mut. Liab.	3,622	4,593	1,474	673	283	.....	993	2,943
Employers Reins.	23,740	4,468	10,945	4,034	1,028	.....	7,094	.....
Excess	7,901	1,723	652	.....	556	.....	5,965	1,723
Factory Mut. L.	1,028	84	2,603	.....	.....	.....	.....	.....
Fld. & Cas.	240,839	82,057	81,796	25,160	13,721	815	43,297	22,785
Fld. & Dep.	106,378	14,764	.....	.....	.....	.....	93,610	12,987
Fireman's Fund	32,638	4,551	2,608	670	3,558	865	24,146	2,778
General Accel.	133,730	41,117	65,191	19,025	11,565	804	16,823	4,939
General Reins.	49,167	111,896	12,420	656	5,617	.....	15,866	8,577
Glens Falls Indem.	179,096	14,213	23,165	5,922	10,628	374	15,501	2,992
Globe Indem.	179,929	56,271	99,581	23,595	19,504	16,430	19,179	2,964
Great Amer. Indem.	16,294	5,132	9,888	3,047	1,441	.....	5,785	372
Hdwe. Indem.	12,734	1,948	5,820	754	3,030	798	.....	.....
Hdwe. Mut. Cas.	100,370	17,774	61,356	11,430	2,849	374	10,644	1,490
Hartford Accel. & Ind.	329,003	109,767	90,283	24,523	25,188	8,302	119,336	34,267
Highway Ins. Unds.	18,764	5,099	12,193	2,415	.....	.....	32,304	11,768
Home Indem.	4,773	222	2,811	.....	90	.....	282	.....
Indem. of N. Amer.	102,685	63,437	39,853	43,042	15,761	4,946	12,751	1,656
Liberty Mut.	488,676	173,154	43,440	15,166	50,470	7,572	366,625	141,331
London Guar.	64,709	37,732	21,678	25,245	11,494	367	18,997	7,361
Lumbermen's M. Cas.	163,704	59,859	77,140	25,180	7,939	2,138	40,914	327
Maryland Cas.	435,598	149,751	89,928	18,780	26,475	4,071	164,871	44,222
Mam. Bonding	17,868	9,677	11,897	6,142	512	.....	275	46
Metro. Cas.	81,366	23,890	16,867	7,680	7,810	242	445	52
National Cas.	60,344	25,522	35	.....	54	.....	237	13
National Mut. Cas.	31,148	8,046	13,301	3,142	898	139	4,327	1,097
National Surety	130,127	13,303	.....	.....	.....	.....	121,581	12,503
New Amsterdam Cas.	127,699	30,918	29,124	947	24,632	4,153	43,284	15,230
New York Cas.	36,080	13,278	3,568	18	4,455	.....	7,038	2,190
Norwich Union Indem.	1,586	1,472	1,011	1,148	70	.....	15	.....
Ocean Accel. & Guar.	34,441	12,426	14,351	777	3,818	292	8,197	3,105
Penna. Cas.	144,374	38,159	94,664	51,961	70	.....	.....	.....
Phoenix Indem.	33,245	9,183	14,839	2,267	3,160	168	6,278	2,267
Preferred Accel.	17,665	1,484	4,466	248	.....	.....	4,466	.....
Royal Indem.	219,072	72,142	99,339	25,058	23,178	409	84,652	20,814
St. Paul-Merc. Indem.	194,962	73,904	97,841	35,567	20,235	5,045	20,936	8,777
Seaboard Surety	2,392	.....	.....	.....	.....	.....	2,392	.....
Standard Accel.	157,998	64,077	26,748	4,236	17,110	370	39,231	15,337
Standard Sur. & Cas.	720	.....	200	.....	21	.....	12	.....
State Farm Mut. Auto.	292,626	117,484	132,265	49,828	.....	.....	.....	.....
Travelers Indem.	59,717	13,401	23,126	1,674	434	.....	4,753	.....
Travelers	501,045	86,693	39,552	27,383	70,653	5,386	330,308	31,361
Trinity Universal	30,241	3,422	10,722	15	498	.....	321	29
U. S. Cas.	130,473	64,309	24,579	26,407	20,007	4,116	52,884	23,824
U. S. F. & G.	875,640	202,052	133,957	42,354	85,756	3,197	302,834	100,777
U. S. Guar.	82,148	22,353	26,224	13,208	730	2,691	1,259	446
Utica Mut.	26,714	2,800	14,031	247	1,883	.....	5,870	1,395
Zurich	35,790	22,858	12,352	9,063	836	690	6,018	4,167
Total	11,306,269*	4,482,779	2,171,112	798,652	629,648	106,996	2,685,714	870,092
*Includes classes in accompanying tables and fire, theft and comprehensive of full cover writers.								

Other Casualty Business in Alabama

ACCIDENT AND HEALTH		Premia.	Losses
Accel. & Cas.	\$ 269		
Aetna Cas.	210	\$ 116	
Aetna Life	44,096	19,789	
Amer. Cas.	1,474	325	
Amer. Employers	188	73	
Amer. Motorists	136		
Amer. Reins.	10		
Amer. Surety	52		
Bankers Indem.	29		
Ben. Assn. of Ry. Empir.	29,868	14,396	
Central Surety	168		
Century Indem.	320	199	
Columbia Cas.	534	191	
Commercial Cas.	38,298	29,148	
Conn. General Life	2,619	750	
Continental Cas.	128,497	79,762	
Eagle Indem.	438	144	
Employers Ins.	3,479	7,598	
Employers Liab.	9,440	1,517	
Employers Reins.	2,060	427	
Equitable Life	29,485	44,390	
Federal Life & Cas.	18,693	6,629	
Fid. & Cas.	8,764	3,455	
Fireman's Fund	44		
General Accel.	8,500	3,604	
General Amer. Life	29,337	23,944	
General Reins.	3,004	2,128	
Glens Falls Indem.	1,857		
Globe Indem.	3,970	1,422	
Great Amer. Indem.	159	50	
Hartford Accel.	3,318	9,904	
Indem. Co. of N. Amer.	2,266	5,100	
Inter-Ocean Cas.	65,609	33,118	
Interstate Life & Accel.	102,983	32,261	
John Hancock Mut. L.	3,726	2,078	
Ky. Home Mut. Life	6,810	3,086	
Liberty Mut.	167	7	
Life & Cas.	210,351	86,740	
London Guar.	707	37	
Lumbermen's Mut. Cas.	3,336	326	
Maryland Cas.	21,792	12,585	
Mass. Bonding	1,301	2,948	
Mass. Protective			
Metro. Cas.			
Metro. Life			
Mutual Ben. H. & A.			
National Cas.			
National Life & Accel.			
New Amsterdam Cas.			
North Amer. Accel.			
Norwich Union Indem.			
Ocean Accel.			
Pacific Mut. Life			
Pan Amer. Life			
Paul Revere Life			
Penna. Cas.			
Phoenix Indem.			
Preferred Accel.			
Protective Indem.			
Protective Life & Accel.			
Prudential			
Reliance Life			
Royal Indem.			
St. Paul-Merc. Indem.			
Standard Accel.			
Travelers			
United States Cas.			
U. S. F. & G.			
U. S. Guar.			
Utica Mut.			
Washington Natl.			
Zurich Genl.			
Total	\$3,410,801	\$1,911,510	
STEAM BOILER, ENGINE & MACHINERY			
Aetna Cas.	\$ —76		
Amer. Employers	464		
Amer. Guar. & Liab.	24		
Amer. Reins.	642		
Columbia Cas.	15,843		
Commercial Standard	85		
Continental Cas.	142		
Eagle Indem.	1,967	\$ 344	

Employers Liab.	Premia.	Losses
Excess	2,116	64
Fld. & Cas.	9,416	374
General Accel.	2,756	.....
General Reins.	3,353	.....
Globe Indem.	2,667	778
Hartford Steam Boiler	132,667	7,084
London Guar.	1,016	36
Lumbermen's Mut. Cas.	2,370	96
Maryland Cas.	8,014	298
Mutual Boiler	20,090	1,390
Ocean Accel.	251	590
Phoenix Indem.	180	.....
Royal Indem.	9,704	4,035
Travelers Indem.	3,353	731
Total	\$ 217,107	\$ 16,447

SPRINKLER & WATER DAMAGE		
	Premia.	Losses
Aetna Cas.	\$ 436	\$ 108
London Guar.		75
Maryland Cas.	191	
U. S. F. & G.	73	
Total	\$ 700	\$ 183

CREDIT		
	Premis.	Losses
Amer. Credit Indem.....	\$ 20,369	\$ 5,875
Total	\$ 20,369	\$ 5,875

Hartford Acci.	\$	7	.....
Total	\$	7	.....

Vetoed Adjuster License Bill

Governor Lehman of New York has vetoed without memorandum the bill to provide for the licensing of insurance adjusters.

Lloyds Enters Official Denial It Is Betting on Early Termination of War

John S. Lord of Chicago, attorney-in-fact in Illinois for London Lloyds, has sent a bulletin to Lloyds' brokers stating that rumors and published reports that Lloyds has been taking bets that the war will end in a short time are untrue. Mr. Lord expresses the belief that the rumor is part of a program of "insidious propaganda to lull us Americans into a sense of security and to discourage us in our all out effort to defeat our enemies."

The committee of Lloyds, according to Mr. Lord, agreed in 1937 that there shall appear in all policies covering contingency risks of every description a war and civil war exclusion clause which in effect says that the policy does not cover loss or damage directly or indirectly occasioned by any happenings through or in consequence of war, invasion, hostilities, acts of foreign enemies, civil war, etc., and that consequently no such business is being transacted at Lloyds. The committee also officially states that no insurances that the war will end in a short time are being effected at Lloyds.

Write Accident & Health Bulletins, 420 E. Fourth St., Cincinnati, for plans for increasing sales.

Tex. Commissions Up to Department

(CONTINUED FROM PAGE 6)

sioners taking any action that would tend directly or indirectly to fix the rate of commission paid to agents by insurance companies; that the board favored a fixed expense ratio in a lump sum to be used in erecting rates and in order that the insurance buying public may be fully protected the resolution favored the adjustment of rates as often as the loss experience would justify; and that the Fort Worth Exchange commends the Board of Insurance Commissioners for its diligence in closely checking the expense ratio which is being used in the present Texas rating schedule.

In view of the fact that the sentiment among many leaders of the local agents in the state is definitely in favor of a modernization and downward readjustment in the commission schedule, it is believed that the appearance of the Fort Worth Exchange's representative stops any members of the association from speaking at the hearing in behalf of reduced commission. The association members did not want to be put in the position of speaking publicly in opposition to the opinion of one of its constituent members, so they kept quiet.

However, a bit of a sensation was caused when T. M. Wingo, El Paso local agent, explained that though he was a director of the Texas Association of Insurance Agents, he was speaking purely as an individual agent. Mr. Wingo read a prepared statement in which he raised vigorous objection to special agents, and questioned whether the work that they do is justified and pointed out their maintenance is a very expensive item for the insurance companies and, of course, influences the premium rate. He argued that any

amendment in the premium rate that would be made would not help the public, that it would hurt the local agents, but that it would help the companies, "those with heavy expenses and flocks of fieldmen, and expensive advertising." He argued that the acquisition cost of companies paying excess commissions is as low or lower than those of the companies complaining of high commissions.

He further argued that it would be impossible for a flat commission arrangement to be arranged for a state as large as Texas that would be fair to all concerned.

Mr. Wingo further argued that the commissioner already has the authority and power to limit the expense factor in the rate make-up and he questions as to why only one factor in the rate schedule was being taken into consideration. He said that by limiting the expense factor the board would automatically control commissions.

Mr. Hall immediately upon conclusion of Mr. Wingo's talk, emphasized that it was not the purpose of the board to take a reduction from one group in the insurance business and pass it over to another. He emphasized that any saving that is made will be passed on to the insurance buying public.

R. B. Cousins, Jr., secretary of the Texas Fire Prevention Association committee, spoke briefly to remind the board that the Texas department never had adopted the rating formula approved several years ago by the National Association of Insurance Commissioners. He also explained that as the rates are reduced expenses must relatively rise. He suggested the establishment of factors for conflagration and catastrophe reserve and also for the underwriting profit.

Douglas Montgomery, local agent of Galveston, also spoke briefly in opposition to any change in the commission schedule because of the mounting cost of living.

Insurance Buyers Gathering

(CONTINUED FROM PAGE 4)

vice-president of A. M. A. in charge of the insurance division, who enacted the role of buyer. The panel included the following: broker—Roy Jenkins, executive vice-president Alexander & Alexander, Inc., New York City; agent—E. B. Berkeley, president Cleveland Insurance Agency; fire insurance—Ivan Escott, vice-president of Home; marine insurance—John Rogers, Chubb & Son; casualty insurance—T. Y. Beams, vice-president Royal Indemnity; marine adjuster—George Forrow, loss manager Atlantic Mutual; adjusters—Donald MacLeod, Marsh & McLennan, New York City and Walter Feimster, Jr., Fire Companies' Adjustment Bureau, Philadelphia.

The panel discussion centered mainly around loss settlements and the value of the broker or agent to the insured. While Chairman Fleming endeavored to incite some debate as to the relative merits of broker and agent, it seemed pretty well agreed that no matter how expert and well informed a firm's insurance manager might be he should have the services of a qualified professional, whether agent or broker.

The buyer needs not only the professional's knowledge but his contact with markets. It frequently happens that if the insurance manager's superior questions the handling of a certain phase of coverage the broker can add the weight of his knowledge and prestige in a way to strengthen the manager's position. The value of the professional in sitting in on loss adjustment conferences was pointed out, since his experience in handling claims would naturally be broader than the manager's.

A mutual company representative argued that the direct-writing mutual's

field engineers fill the role of professional as well as an agent or broker. However, a broker remarked that the insured can still have the services of a broker, whether insurance is carried in a stock company or in a mutual, since the broker can be compensated by a fee representing part of the insured's dividend.

There was some discussion as to the relative desirability of a single schedule form for the various locations of Mythical Manufacturing's properties as compared with a single blanket form or a blanket policy for each location. Mr. Escott favored a blanket policy for each location as against a schedule form.

Mr. MacLeod felt there was not much difference between having a countrywide blanket policy and policies that were blanket by location.

RAY MURPHY SPEAKS

At the dinner Wednesday evening Ray Murphy, assistant general manager Association of Casualty & Surety Executives and former national commander of the American Legion, spoke on "Sabotage and the Home Front." H. J. Howlett, secretary of A. M. A. presided.

The second day's session will have four subjects specifically dealing with operations during wartime. At the session on insurance requirements of governmental contractors, J. A. Coleman, secretary and treasurer American Type Founders, will present the case of a typical firm engaged in the completion of war contracts. Major Reese Hill, the War Department's insurance expert, and W. F. Lund, Navy Department insurance counsellor will give the views of the army and navy. This session is expected to be of particular value because, although the regulations and procedure have recently been clarified, there still exist no standards to enable the contractor doing business with one or more

(CONTINUED ON PAGE 39)

For Fast, Dependable Plate Glass Replacement Service in Chicago—

SPEED
DEPENDABILITY
RELIABILITY..

CALL . .

McHawk
11000

American Glass Company 1030-42 NORTH BRANCH STREET • CHICAGO

Casualty Net Premiums and Paid Losses in 1941 in FLORIDA

	Total Premiums \$	Total Losses \$	Auto. Liab. Premiums \$	Auto. Liab. Losses \$	Other Liab. Premiums \$	Other Liab. Losses \$	Work. Comp. Premiums \$	Work. Comp. Losses \$	Fidelity-Surety Premiums \$	Fidelity-Surety Losses \$	Plate Glass Premiums \$	Plate Glass Losses \$	Burglary-Theft Premiums \$	Burglary-Theft Losses \$	Prop. D. & Coll. Premiums \$	Prop. D. & Coll. Losses \$
Acci. & Cas.	65,566	38,426	25,998	6,757	7,388	5,805	20,501	16,180	246	.....	655	1,082	1,250	1,725	9,272	6,374
Aetna Life	113,620	70,741	.....	230	.....	.....	.....	62	.....	.....	.....	.....	.....	.....	.....	.....
Aetna Cas.	336,296	87,018	85,002	15,963	50,211	12,163	95,410	44,499	51,633	2,381	3,440	501	19,089	2,394	28,882	12,844
Allstate	32,466	9,484	26,969	2,757	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	7,397	3,726
Amer. Auto.	101,641	38,050	76,724	23,795	903	.....	54	.....	.....	.....	.....	.....	.....	.....	23,959	14,844
Amer. Cas.	14,625	18,490	2,677	4,067	2,588	2,328	5,969	7,614	.....	.....	1,109	1,959	853	1,545	1,311	948
Amer. Employ.	103,727	22,334	34,896	3,232	12,515	1,158	26,426	9,251	5,302	192	3,172	1,912	6,662	3,033	13,963	4,617
Amer. Fid. & Cas.	176,251	92,078	130,399	70,876	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	45,852	21,202
Amer. Fire & Cas.	563,289	188,371	219,789	71,836	7,382	1,047	8,731	5,859	3,030	.....	2,426	478	2,891	975	188,364	74,453
Amer. Guar. & L.	142	.....	15	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5	.....
Amer. Indem.	73,920	34,749	27,222	14,494	5,049	249	.....	.....	3,972	—3	2,511	495	4,472	1,762	19,811	15,482
Amer. Motorists	5,110	26,449	3,040	25,493	64	.....	865	145	.....	.....	.....	21	.....	.....	906	750
Amer. Mut. Liab.	538,533	218,225	21,874	14,317	50,169	3,617	433,578	188,010	2,280	2,540	.....	.....	637	725	29,972	9,011
Amer. Policyholders	39,182	18,729	30,515	15,035	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,566	3,694
Amer. Surety	564,348	99,319	22,604	8,467	29,870	867	359,094	91,735	131,870	—6,583	1,401	366	5,161	445	14,241	3,694
Arx Indem.	4,233	1,309	1,603	.....	1,576	222	451	303	.....	.....	17	.....	29	46	479	157
Assoc. Indem.	59,562	21,112	8,325	1,034	3,091	550	43,402	18,480	.....	.....	164	155	481	44	4,097	848
Bankers Indem.	5,039	1,652	1,942	423	475	100	762	204	.....	.....	193	69	645	12	924	350
Bituminous Cas.	291,038	141,881	.....	.....	14,431	273	271,236	141,142	.....	.....	.....	.....	.....	.....	5,370	465
Car & General	70,057	24,881	20,977	3,576	6,969	1,987	28,116	13,628	15	.....	1,599	736	4,598	1,410	6,898	3,481
Cas. Indem. Exch.	314	.....	.....	.....	314	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cas. Recip. Exch.	89,697	41,239	18,573	7,257	3,640	1,939	64,820	27,202	.....	.....	449	260	.....	.....	6,316	4,511
Central Surety	228,396	85,997	62,855	32,713	15,389	2,830	103,792	34,302	21,665	462	2,480	5,750	1,159	25,285	13,076	.....
Century Indem.	19,274	2,254	2,217	4,479	4,050	624	1,147	.....	5,761	354	2	.....	979	60	1,241	66
Columbia Cas.	221,471	73,009	59,580	15,468	27,094	3,974	58,996	27,090	15,178	5,690	3,084	2,432	11,056	2,436	21,322	8,910
Commercial Cas.	99,010	54,485	23,532	23,412	8,564	2,325	.....	.....	20	.....	2,840	540	3,612	1,658	7,284	5,324
Commercial Standard	10,336	10,663	6,889	5,538	265	.....	399	134	.....	.....	18	.....	—10	.....	2,647	4,903
Consolidated Und.	30,640	8,476	3,252	55	116	.....	23,895	6,748	.....	.....	.....	.....	.....	.....	2,387	1,532
Continental Cas.	517,161	213,161	130,027	49,747	43,976	5,181	151,810	88,310	33,209	8,519	3,418	1,101	18,932	2,908	47,970	20,857
Eagle Indem.	35,377	7,440	7,353	1,959	3,652	205	14,893	3,718	2,182	107	339	187	2,437	370	2,877	.....
Employ. Liab.	214,364	112,771	49,465	35,948	26,810	11,414	97,339	47,134	6,239	741	1,970	505	7,480	5,768	19,335	10,817
Employ. Mut. Liab.	6,308	7,015	1,208	.....	333	.....	3,486	6,518	.....	.....	.....	42	.....	.....	1,216	.....
Employ. Reins.	65,577	13,509	30,973	7,478	4,479	.....	1,914	25	18,109	723	26	.....	42	20	2,185	528
Excess	9,305	16,478	2,344	15,108	37	.....	48	.....	6,556	.....	.....	.....	55	.....	187	369
Factory Mut. L.	22,408	6,840	12,683	4,947	52	.....	.....	.....	.....	.....	.....	.....	574	.....	9,097	1,893
Fid. & Cas.	650,692	243,353	119,703	72,049	65,844	23,810	268,978	106,633	71,685	8,714	5,273	1,724	21,455	2,805	47,730	23,621
Fid. & Dep.	124,468	35,812	.....	.....	.....	.....	.....	.....	117,435	35,500	9	.....	7,023	311	.....	.....
Fireman's Fund Ind.	181,913	72,478	54,903	23,821	18,269	1,463	60,583	29,525	13,910	1,388	1,289	364	8,693	2,729	19,037	12,356
Florida Surety	10,392	596	.....	.....	.....	.....	.....	.....	10,392	596	.....	.....	.....	.....	.....	.....
General Accl.	250,520	94,589	67,933	33,371	31,341	3,304	64,078	27,565	.....	.....	3,418	551	10,852	1,921	23,992	12,794
General Cas.	14,520	2,021	8,650	1,602	1,296	.....	.....	.....	.....	.....	.....	.....	273	.....	2,704	409
Glens Falls Indem.	189,025	51,339	60,876	16,825	16,379	3,229	54,206	17,995	18,708	576	2,986	1,168	9,885	1,366	22,389	12,984
Globe Indem.	347,772	152,772	130,751	61,871	23,620	10,405	106,844	56,450	24,201	2,159	2,371	608	15,206	1,979	43,747	17,444
Great Amer. Indem.	286,834	134,934	81,589	45,598	40,166	13,493	103,101	58,704	14,075	453	3,141	844	14,240	2,891	28,463	12,279
Hdwe. Indem.	12,637	1,969	5,675	1,332	1,565	76	.....	.....	.....	.....	.....	.....	213	18	3,994	489
Hdwe. Mut. Cas.	84,645	27,762	42,725	8,293	1,683	561	11,641	6,817	.....	.....	777	272	1,246	105	26,569	11,712
Hartford Accl.	673,359	217,290	154,292	48,304	32,561	16,201	222,763	105,715	89,553	4,913	4,503	1,862	32,966	5,718	67,576	30,745
Home Indem.	12,308	4,405	6,213	3,193	1,830	.....	.....	.....	206	.....	412	674	1,673	3	1,956	533
Indem. of No. Amer.	237,145	100,068	76,639	19,501	29,969	17,264	61,704	34,560	16,463	7,306	1,888	781	14,106	2,036	28,010	11,496
Liberty Mut.	414,649	156,731	35,279	9,131	39,153	9,560	314,067	129,902	.....	.....	737	239	3,557	8	21,359	7,888
London Guar.	44,147	30,519	10,584	18,731	7,835	1,156	17,058	5,962	.....	.....	105	123	2,242	53	3,938	4,341
Lumb. Mut. Cas. N. Y.	3,035	881	302	.....	234	.....	2,176	873	.....	.....	.....	.....	.....	.....	320	8
Lumb. Mut. Cas. Ill.	375,782	167,246	108,612	34,044	22,014	3,593	184,227	105,283	.....	.....	1,314	687	6,930	325	44,688	20,125
Maryland & Cas.	482,780	197,648	122,163	49,334	35,169	4,350	161,973	90,551	52,130	5,205	1,913	612	14,403	3,970	35,300	27,104
Mass Bonding	61,565	12,316	9,736	241	7,235	616	14,925	5,439	12,310	63	566	103	2,020	.....	4,564	.....
Metro. Cas.	144,658	43,628	31,219	5,142	10,371	1,333	.....	6,892	—24	1,884	422	4,701	324	9,809	5,766	.....
National Cas.	75,373	26,814	18,839	5,092	7,569	1,400	12,680	8,026	.....	.....	586	251	2,929	352	4,791	2,504
National Sur.	117,231	52,879	.....	.....	.....	.....	.....	.....	110,684	44,088	642	224	5,903	8,665	.....	.....
New Amer. Cas.	340,521	86,311	48,646	5,426	44,975	4,666	153,475	66,094	52,041	39	971	454	4,520	462	31,257	8,405
New York Cas.	115,743	34,086	10,442	4,487	9,434	573	65,513	26,526	20,259	—577	298	180	3,376	424	6,417	2,469
Occidental Indem.	30,676	4,329	8,380	457	4,367	141	9,311	2,539	1,386	.....	120	.....	1,313	42	3,774	1,094
Ocean Accl. & Guar.	192,086	65,885	36,610	7,925	30,878	2,236	87,419	42,663	4,971	—215	1,646	257	8,788	2,219	11,622	7,884
Ohio Cas.	2,914	.....	.....	.....	.....	.....	.....	.....	2,741	.....	.....	.....	172	.....	.....	.....
Pan-Am. Sur.	10,829	196	.....	.....	.....	.....	.....	.....	10,829	196	.....	.....	.....	.....	.....	.....
Peerless Cas.	13,467	.....	10,479	.....	—472	.....	618	.....	2,827	.....	.....	.....	.....	.....	14	.....
Penna. Cas.	186,532	113,991	100,528	67,898	2,352	33	.....	.....	.....	.....	1,382	840	8,853	792	45,522	19,462
Phoenix Indem.	126,734	38,226	34,563	3,175	26,552	3,066	41,520	22,224	.....	.....	.....	.....	3,197	863	12,136	6,144
Preferred Accl.	16,675	15,262	24,718	8,475	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Royal Indem.	160,615	62,339	44,607	30,104	12,899	3,927	58,502	33,181	12,715	1,232	1,564	584	6,613	2,964	16,911	10,115
St. Paul-Merc. Indem.	70,106	25,809	23,732	10,416	8,193	6,564	9,577	3,529	9,820	87	585	19	2,973	483	10,038	4,708
Seaboard Sur.	39,663	737	.....	.....	.....	.....	.....	39,663	737	.....	.....	.....	.....	.....	.....	.....
Standard Accl.	466,881	165,618	80,426	19,662	35,773	10,188	224,115	114,247	72,025	1,373	1,743	784	10,738	1,998	32,601	16,164
Standard Sur. & Cas.	17,438	9,939	7,981	7,877	3,485	125	166	433	.....	.....	1,079	.....	2,043	72	2,667	1,430
State Farm. M. Auto.	190,280	63,027	71,840	11,475	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	91,069	44,964
Sun Indem.	85,257	43,955	26,187	13,035	10,297	1,360	24,324	17,107	.....	.....	2,051	527	6,853	1,195	13,506	10,066
Travelers Indem.	102,737	32,520	26,173	13,293												

Eye New Sources of Premiums

(CONTINUED FROM PAGE 5)

competent agents who must meet such competition.

E. B. Moran, central division manager of the National Association of Credit Men, Chicago, discussed the interdependency of insurance and credit, and his talk made a big hit. Many types of insurance have never been presented to business by the agent, he said.

Dyer's Talk on Accident & Health

"Why the General Insurance Man Should Sell Accident & Health Insurance" was ably delineated by George L. Dyer, Jr., manager Columbian National Life, St. Louis. The agent is usually wondering how he can get closer to his assured. Selling accident and health gives him that closer contact. He can operate readily from his present setup and the additional sales will not increase overhead, Mr. Dyer said. With approximately 13 accidents to one fire, the agent performs a personal service of real value. Accident and health renews well. About 70 percent of the clients of most agents do not have this cover. There is a much broader field for sales today with so many women entering industry, he said.

Commissioner Goodpaster on Program

Commissioner Goodpaster discussed legislation at the last session of the legislature and touched on the recent Louisville meeting of several commissioners in connection with the federal war damage coverage.

G. R. Reed, Columbia, reported as national councillor.

J. Bryant Lawton, of Central City, membership committee chairman, said the association now has 284 members, a gain of nine for the year. Mr. Bryant also presided at a luncheon conference of district membership chairmen.

James J. Hackworth, Shelbyville, newly elected president of the association, reported for the rural agents committee as its chairman. Agents, he said, can't wait for farmers to bring in insurance business.

W. Ray Thomas

The new and complicated insurance problems precipitated by the war emphasize the vital importance of active and energetic agency membership in the national, state and local association, W. Ray Thomas, Pittsburgh, member of the National association executive committee, declared. There are many practical things the National association does for its members, and the mere fact it exists in an active and aggressive way prevents much turmoil in the business.

The talks of S. Roy Woodall, retiring president; Oscar Beling, superintendent, agency systems department of Royal-Liverpool, on "Agency Profit Planning," and Bert R. Walinder, manager farm and hail departments, America Fore, Chicago on "The War's Effect on Farm Insurance," were reported in last week's issue.

Following Mr. Walinder's talk numerous questions were asked regarding methods of determining values, vacancy hazard, electric apparatus rule, etc. Mr. Walinder said that where a tenant building is vacated, records show that most fires occur within a period of 48 hours probably because of carelessness. This is the reason for the vacancy penalty.

Past President's Breakfast

At a breakfast meeting of the past presidents of the association, Harry B. Wilson, Irvine, was elected president, succeeding Gordon Sulzer, Maysville; Dwight R. Peel, former agent at Benton, now head of the state department of fire prevention and rates, vice-president; and Norman I. Taylor, Burnside, secretary.

Mr. Peel, who is deputy director of civil defense for Kentucky, discussed civilian defense efforts.

Richard E. Vernor, manager fire prevention bureau, Western Actuarial Bureau, Chicago, said that while fire losses

are up 18 to 20 percent, it was due mostly to carelessness and not to sabotage.

Reports were made by C. Brady Skinner, Morganfield, chairman fire and accident prevention committee; Norman A. Chrisman, Pikeville, legislative committee, and A. G. Harrison, Louisville, educational committee.

Several films on prevention of fires and protection against bombs were shown during the convention by Aetna Casualty & Surety. Entertainment consisted of a dinner dance Thursday evening, a luncheon by the Louisville local agents Friday, and a dinner for the executive committee and officers prior to the convention.

Fred H. Lieber, Louisville, was general chairman of the convention. A. G. Harrison, president Louisville Board; W. E. Kingsley, president Kentucky Fire Underwriters Association, and Gordon Kellner, president Louisville Casualty & Surety Managers Association welcomed agents.

The nominating committee was composed of W. Culver Vaughan, Louisville, as chairman; W. Guy Bush and Harry E. Evans, Jr.

Ellis Is Reelected Head of Georgia Agents Group

(CONTINUED FROM PAGE 5)

Savannah; J. M. Barrett, Dalton, and Arthur Griffith, Macon.

H. Pierce North, assistant director of the Business Development Office, outlined the work of his organization and stressed the possible danger of governmental regulation. He stated that the American agency system is on trial with public opinion as the jury. However, he felt that qualified agents would never be "pushed around" by either the public or their fellow agents. He felt that the agents trade associations are the best insurance against being put out of business. He gave some suggestions on how an agent can adjust himself to the war time restrictions. As a motto for replacing lost business he said to force one's self to do the things which an unsuccessful agent refuses to do.

Lon Sullivan's Report

Lon Sullivan, secretary-manager, gave the most inspirational talk of the convention, declaring that it was the lack of citizenship responsibility that led the country into this war and was the reason for poor management of states, counties and cities. He stressed that agents should take more interest in their trade association and not let the other fellow do all the work.

H. C. Parker, insurance commissioner of Georgia, in an informal talk told of the work of his office and outlined several changes in the insurance laws which he proposed to suggest to the next session of the legislature. His principal recommendation was that the occupational tax should be \$10 for each agent, doing away with the different classifications under which the agent paid one amount, the special agent another, etc.

Payne Midyette a Speaker

The National association was represented by Past President Payne H. Midyette of Tallahassee, Fla. He appeared twice on the program and on each occasion spoke from a personal standpoint rather than as a former president. On his first trip to the platform he stressed the point that there was very little public relations work being done by the industry and that the companies should call in the agents before determining broad business policies. He feels that the agents are better qualified to give the public viewpoints than are the officials. He approved the action of the casualty companies whereby they would interpret broadly automobile policies under war conditions. His second appearance was to describe what had been done

PAST 60 . . . but protected by an accident policy just the same!



• You can step up your premium income by writing this *Over Age Accident Contract* which also provides medical reimbursement.

Accidents are a constant threat to older people who have lost the firm step of youth. Yet, at this age when they need it most, protection against accidents is hardest to obtain.

Many agents and brokers, unable to secure coverage of this type through ordinary sources, have added materially to their premium incomes by writing the *Over Age Accident Contract* available through this organization.

Underwritten by prominent underwriters, it covers death, dismemberment and weekly indemnity or death separately. Full details will be sent on request.

R. N. CRAWFORD & CO., Inc.

120 So. La Salle St., Chicago. Tel. Randolph 0750

Headquarters for "OUT OF THE ORDINARY" Contracts

Modern Conservation

ONE policy to issue
(Saving you time and paper)

ONE expiration record to keep
(Saving you time and money)

ONE organization to deal with in event of accident or loss anywhere in the United States or Canada
(Saving you and your assured valuable time and unnecessary delay and inconvenience)



PLACE your automobile insurance with the

GENERAL ACCIDENT
FIRE AND LIFE ASSURANCE CORPORATION, LTD.

POTOMAC INSURANCE COMPANY
OF THE DISTRICT OF COLUMBIA
General Buildings - - Philadelphia



towards effecting war damage insurance. He made a strong plea for unity, deploring lack of it among agents and company men.

Miss Lillian Perry, president of the Atlanta Insurance Women's Club, extended greetings to the convention from her organization. P. M. Lancaster, of Sylvester, chairman legislative committee, gave a report on the activities of his committee.

Augusta Board's President Speaks

James A. Berry, president of the Augusta Board, told how it handled the insurance schedules of the city, Richmond county and the board of education. The work on these three schedules is done by a committee from the board and then the coverage is distributed to all agents with the provision that it be placed only in stock companies.

James C. Dunlap of Atlanta gave a short talk on the good and bad effects of the war on the insurance business.

Charles Murchison, U. S. regional director of the Office of Civilian Defense, gave a rousing talk stressing the importance of the insurance fraternity taking more interest in the various civil defense activities. He stated that with the bulk of the armed forces out of the country there is no one left to defend homes other than those in the civilian defense work. The idea behind civil defense work is similar to the thinking of insurance men in that both groups are going ahead on the assumption of an eventual calamity. The program closed with a report from Herman J. Haas, national councillor.

The social side of the convention consisted of a barbecue Thursday afternoon given by the Southeastern Underwriters Association, a buffet luncheon by the Southern Fire & Marine of Georgia, a golf tournament and the annual banquet and dinner dance.

Mississippi Agents Parley at Biloxi

(CONTINUED FROM PAGE 5)

rency, jewelry, securities, and fine arts. In case of other insurance the coverage afforded by the War Damage Corporation, which will apparently operate under the auspices of the government, will serve merely as excess.

Mr. Moreton continued by citing tentative rate schedules and other provisions which will be announced in the near future. The important thing was the assurance which he gave that the entire set-up would function through established agency circles.

The educational program of the association was one of the principal topics dealt with in the report of President Hardy, who, together with Warner Wells, chairman, has made great strides toward a standardized system for improving agency representation among the membership. Undoubtedly the 1941 short course school held in Jackson was the outstanding achievement dur-

ing the past year. Mississippi was one of the first of the state associations to attempt this type of educational effort. It is anticipated that Mississippi will soon adopt and put into action the educational program as prescribed by the National association.

Qualification Law Regret

Considerable regret was voiced by the officers of the Association that it was not possible to obtain passage of the agent's qualification law which the association sponsored during the 1942 session of the legislature. The non-stock interests mustered sufficient strength to defeat the measure.

The membership increased during the past year by approximately 15 percent.

Other speakers included George E. Edmondson, Tampa, president of the American Association of Insurance General Agents; Col. C. Fred Morgan, Jackson, director of the Mississippi Civilian Defense Council; James Eaton, Gulfport, an attorney; J. Dillard Hall, agency director of U. S. Fidelity & Guaranty; J. J. Magrath, secretary Federal and Vigilant; Leonard M. Wise, president, New Orleans, and R. Lea McClelland, manager, Baton Rouge of the Louisiana Association of Insurance Agents, and Fred C. Crowell, Jr., sales editor of the "Insurance Field."

Probably the most significant address was that of Mr. Magrath, executive of Chubb & Son, which traces specific trends of company management current during this war period. He emphasized the increased use of renewal certificates, the elimination of unessential functions in the business such as "the accumulation, tabulation and reporting of absurd and useless statistics." He advocated an "orderly reform of state policy laws" and establishment of stabilizing funds for the purpose of absorbing the impact of company failures.

Mr. Eaton in developing his subject of the legality of mutual insurance for state properties, asserted that it is not legal by tracing all of the decisions relating to the matter.

Sabotage and Arson

A demonstration of how insurance men could assist the nation in the control and prevention of sabotage and arson was conducted by Capt. C. H. Whitaker, Jackson, Miss., bomb demonstrator for civilian defense for the Jackson fire department.

Commissioner Williams of Mississippi was honored at the banquet which climaxed the convention. He was presented a plaque.

President Hardy presided and speakers included John H. Calkin of the Mississippi senate and James D. Arrington, editor of the "News-Commercial" of Collins, Miss.

Mr. Hardy was presented with a silver tray by the directors and a traveling bag by the association.

By resolutions, the association also heartily endorsed the pay roll allotment

plan and the protection of the business of fellow members inducted into the armed services. A plea was also voiced for the equalization of taxation between stock and non-stock carriers.

The directors at a later meeting will decide whether to abandon the 1943 convention in favor of a one-day business session at Jackson.

Danger of Hand Picking

One of the points strongly emphasized by J. Dillard Hall, assistant agency director of the U. S. F. & G., in his talk on "Guaranteed Men and Women," is the danger of non-insurance when assured attempts to select employees for bonding. Experience has shown that the employer cannot hand pick the employees who should be bonded. When he attempts to do so he is guessing, and in far too many cases for his financial comfort he guesses incorrectly. This sort of selection also has a bad effect upon the handful of employees selected. The primary commercial blanket and the blanket position bonds largely overcome this danger, he said.

TALK BY MORETON

Fred A. Moreton of Salt Lake City, member of the executive committee of the National association, in his address at Mississippi referred to the fact that Edward C. Stone, U. S. manager of Employers Liability, recently propounded the question of whether the time has come to put into practice upon other than government projects the insurance adviser principle that is employed in the War Department rating plan. Mr. Moreton voiced the opinion that a fair counsellor fee basis could not be devised that would be practical in the insurance business because insurance is highly competitive and business is obtained by direct solicitation. The situation is not comparable to that in the fields of medicine or law. Under the War Department plan, he said, the insurance adviser does not perform the usual services performed by a soliciting agent or broker on a commission basis. He examines all the policies, makes photostatic copies of the cancellation endorsement and does other clerical work. Frequently the insurance adviser is located in a state different from where the project is being constructed and he appoints a local administrator who does the clerical work.

He said the plan could only apply to larger risks with loss frequency. He contended that the confidence of the public in the business would be shaken

Certified Public Accountants

ILLINOIS

S. ALEXANDER BELL

Associated with
BAUMANN, FINNEY & CO.
Certified Public Accountants
Insurance Accounting, Audits and Systems
208 South La Salle Street
Chicago, Illinois
Telephone: Central 1370

CHASE CONOVER & CO.

Auditors & Accountants
135 So. La Salle Street
Chicago
Telephone Franklin 3868

with the agents shopping about for a company to furnish protection and then dickering with the assured for an adequate fee. There would be great confusion and he expressed doubt that the cost would be lower.

Insofar as the insurance companies are concerned, he predicted that there would be a larger turnover in accounts because of the two price factors involved. Competition would be accelerated, he said. If the agent were paid a fee by the insured, Mr. Moreton asked whether he would not then be relieved of the responsibility of exercising underwriting judgment because he would then become the agent of the insured and not the company.

The agent, he said, would lose the sale value of his agency plant and his expirations would be valueless. The general agent would have no place in the business and branch office activity would be accelerated. There would be a tendency on the part of agents to auction their services. He charged that the system would violate the insurance laws in many states.

The agent, he said, must be constantly on guard to preserve his independent status. "He must be careful that in abandoning some of the practices in the interest of patriotism, that this legal cooperation does not turn into illegal conspiracy when the war is over," Mr. Moreton asserted.

La. Boiler Inspector Bill

A bill has been introduced in the Louisiana legislature to create a state board of boiler inspector examiners of four members.

WHY NOT

?

Place

ACCIDENT and HEALTH
business with a specialist
in the field

...

For the most complete line
of Accident and Health and
Hospital Expense Policies
on the market

write

**NATIONAL
CASUALTY COMPANY**
DETROIT, MICH. W.B. CURTIS, Pres.

The best way to increase your casualty premiums is to read The Casualty Insurer. Subscription price only \$1.50 a year. 175 W. Jackson Blvd., Chicago.

LIFE

SELL THEM WHAT
THEY WANT
ACCIDENT
HEALTH

Sell the public
what it wants—
complete personal protection. You can
build a good volume with the Federal
Life and Casualty's accident—health—life protection for both men
and women and juvenile life for children. Territory open in 30 states.

FEDERAL LIFE AND CASUALTY CO.
DETROIT - - - MICHIGAN

POINTERS FOR LOCAL AGENTS

Problem of Building Values and Contribution Clause

By FRANK L. ERION

Independent Adjuster, Chicago

Adjustment of losses to old buildings, obsolete buildings and those which are not being used for their original purpose usually leave a disgruntled owner and an adjuster who is displeased with the result.

The cause of the dissatisfaction is not the cost to repair but the question of actual cash value upon which the contribution clause is based.

Such adjustments are harmful because disgruntled owners naturally seek sympathy from others and invariably talk in a way that tends to destroy public confidence in insurance practices.

What is the actual cash value of a commercial building? If it is substantially constructed of materials which comply with the building codes and ordinances on a site where its occupancy produces a revenue in proportion to its cost its value is the present cost to build it new less physical depreciation.

Problem in Partial Losses

Adjustment of losses to such buildings present no unusual difficulties and the results are usually mutually satisfactory and creditable. It is the adjustment of partial losses to old buildings and the question of their actual cash value that make the trouble and hurt the business of insurance.

What is the value of a five story commercial building of which only the basement and first floors have been occupied for years? Elimination of the upper floors would not lessen its value but if fire destroyed them insurance would be forced to pay.

Many buildings do not produce income enough to pay their taxes, insurance and maintenance; what is their value?

What is the value of mill-construction for heavy floor-load that now houses a light factory? Say the present owners bought it for a third of its present erection cost and in fact could build a structure to serve their purpose for a sum not in excess of their purchase price?

Establishing the Value

In protected districts few building losses are total to physical value hence this question of value is important. The matter of determining the cost to repair is comparatively simple but establishing the value is complex.

There is usually no serious difficulty in establishing the present cost to build new with like kind and quality. The real controversy concerns physical depreciation and all other factors that affect the actual cash value of the structure because the policy provides that insurance is based upon actual cash value ascertained with proper deductions for depreciation.

Losses are adjusted on cost to repair or replace less allowance for betterments which allowance, in partial losses, is confined to those factors which during the life of the building are from time to time replaced such as painting, decorations, roofing, surface floors, etc. Repairs add little, if any, to the life expectancy of the building hence cannot be depreciated at the rate used to determine the building value.

In addition to this difference in physical depreciation the actual cash value is also lessened by other factors which do not decrease the amount of loss for which insurance is liable. These factors are combined in the word—obsolescence,

but there are several contributing elements as changes in the use of neighboring buildings, building codes, zoning laws and architecture.

Insurance rates probably contemplate this anomaly of value on one basis and loss on another and if so forms insuring buildings should omit the contribution clause but if used said clause should be based on a stipulated amount of insurance and not upon actual cash value because said value is debatable and uncertain.

Danger of Overinsurance

To base contribution on current cost to build new, less physical depreciation, is impractical because it would often result in an amount of insurance greatly in excess of what the owner would accept from a purchaser for the building and the ground under it. Over-insurance has its dangers even when it is believed there is no moral hazard.

Some way should be found to avoid the unpleasant and harmful (to insurance) situations that are continually arising in adjustment of building losses. The average owner does not understand the contribution clause. It is not unusual to find one who thinks he will collect 80 percent of his loss up to the amount of insurance. Others think the value should be fixed by a committee of real estate valuers, still others think the value is not more than the revenue indicates.

Ratio of Depreciation

A remedy is really imperative to the needs of brokers, agents and companies. The ideal remedy from an underwriting viewpoint would be a provision that the same ratio of depreciation be applied to both value and loss but there is probably no chance that such a provision would be approved by state insurance commissioners.

Since it seems impossible to base building value and loss on the same factors it will be necessary to cease the use of the contribution clause on buildings or change its basis to a stipulated amount of insurance and thus eliminate, from adjustment of partial losses, the actual cash value factor.

Such action would quite likely reduce the amount of insurance carried and force an upward revision of rates to compensate that reduction but owners would gladly pay an increase to get policies that will pay any loss up to the amount for which they are written.

As Use of Teams Increases Interest in Covers Revives

There has been in recent weeks a considerable revival of interest in coverages of teams and wagons. Newspapers, faced with possible limitation of deliveries to conserve trucks and tires, already have started putting on horses and wagons for service to newsstands in congested districts. Dairies, bakeries, laundries, and other businesses with which deliveries are an essential part of the service are adding this type of equipment. More of it undoubtedly will come into use as time goes on. The price of horses and equipment has increased

substantially, and insurance protection is needed.

One company, Hartford Accident, reports that teams liability premiums increased 135 percent in April, compared with the same month a year ago. The number of such policies written has dwindled within the past 25 years to a mere trickle, but now seems to be reviving. Already there have been accidents reported in which third parties suffered severe injuries. New drivers unfamiliar with the work are having to be used, and the horses may be strange to hauling in traffic.

Writing of Liability

Teams liability is written on a per team basis, and the number of teams is determined by the number of drivers. The coverage now is a part of the O. L. & T. manual. Rates vary according to the business and territory. A dairy in Illinois, including Chicago, pays \$8.50 for \$5,000/\$10,000 public liability limits and \$10 for \$1,000 property damage. Bakeries take the same rate in that territory. For the building material classification the premium is \$5 for public liability and \$5 for property damage. The P. L. cover is subject to a \$10 and the property damage to a \$5 minimum. Truckmen for hire pay \$7.50 for P. L. and \$10 for P. D. If he operates for one concern only, the rate is for the classification of that concern. For public liability the rate is \$15 for public liability and \$5 for property damage.

Assured are covered under comprehensive liability, but owe the manual rate on audit.

Floater Covers Horses, Equipment

The horse and wagon floater form, written by the inland marine departments of the fire companies, provides coverage for animals, vehicles, and equipment such as harness. Vehicles and equipment are covered against fire and lightning, collapse of bridges or flood, collision, loss while on ferries, etc. On animals the protection is against death or destruction only from fire or lightning, collision, etc.

Rates for the horse and wagon floater are the annual tariff fire contents rate applicable to the floating property in and out of the highest rated premises where the horses and equipment customarily are located plus a loading of 10 cents per \$100. Theft can be added for not less than 25 cents per \$100, and for 5 cents additional animals can be protected against collapse of bridges and flood.

Cargo and cargo liability coverages can be written on an inland transit form which provides protection similar to that on motor truck cargo. Rates run from 2 to 10 cents per \$100 depending upon the territory and the character of the load.

Suggested Letter on Collections

D. S. Benjamin, head of the Benjamin Insurance Agency of Springfield, Ill., has always been much interested in collection methods. He takes advantage of the present situation and the request of the Federal Reserve Board to curtail credit. In sending out bills to policyholders the agency encloses this letter signed by Mr. Benjamin:

"In our country's present emergency, we need, above all things, a fighting spirit. We need it not only in our armed forces, but in industry as well, in labor, and especially in business that we all may cooperate in this, our 'Drive for Victory,' and win this war.

"Our office is doing its best to cooperate. Part of our office force is now in service, and others soon will go. We are endeavoring to save on tires, gaso-

Contingent Loss Hazards Discussed

MINNEAPOLIS — Basic types of consequential losses were discussed by O. J. Eastman, secretary Northwestern Fire & Marine, at a meeting of the Insurance Buyers Association of Minnesota.

Mr. Eastman mentioned several unusual consequential losses. One firm has inbound shipments of logs and other forest products in large quantities. It secured a reduction in freight charges from the railroad by agreeing to ship finished goods as well as raw materials over the same road. If reshipment is not made, the company agrees to pay the higher rate. The manufacturer has secured a policy insuring this saving in case of fire. The policy is written under a reporting form.

Other Examples Given

A good example of contingent use and occupancy resulted from the New England tornado of a few years ago. In one city eight stores handled one brand of shoes secured from a New England manufacturer. The tornado so seriously wrecked the manufacturing plant that operations had to cease for eight months. Of the eight stores three carried consequential U. & O., and they were the only ones to open up after the supply of shoes was resumed. The others had gone out of business or had taken on a different line.

Some years ago a brewery was feeding cattle with grain left over after it had served the brewery's purpose. When a fire occurred the brewery made an additional claim for loss of weight the cattle suffered because they had to be fed on feed of lower quality while the brewery was shut down.

Newspaper Forced to Suspend

A newspaper dependent on a manufacturing company for its paper supply, was forced to suspend publication because a train wreck held up supplies for 10 days. The loss was recovered by consequential insurance. There is abundant opportunity for the application of this type of coverage in almost every line of commerce where firms are dependent upon a constant supply from other organizations, Mr. Eastman said.

A small manufacturing firm owned a 12-story building, he said. It used the first floor rear and basement for its operations, renting the other space at \$1,200 a month. This rent was quite a factor in the company's financial strength. The business was prosperous, but a small explosion developed into a fire and the building was destroyed. There was fire insurance but no other type of coverage, and while the building was repaired, the drain had been so heavy on the resources and assets during the period of idleness that the manufacturing firm had to liquidate—at 11 cents on the dollar.

line, etc., and give as much of our time to defense work as possible.

"The Federal Reserve Board has asked all merchants to curtail credits and long standing accounts. Is it asking too much of you, that you take care of the premiums on your insurance within 30 days of the date that the policy is issued? We are also asking that you either mail us a check or personally call at our office.

"We want to thank you for your patronage, and trust that you will help in this effort of patriotic cooperation."

Magrath for All Insurance Guarantee Fund

(CONTINUED FROM PAGE 4)

state socialism into our business to any further extent," he said.

Insofar as allegations of excessive costs are concerned, most of the criticism is based upon ignorance or a wilful distortion of the facts, he said. There are vulnerable points in the cost setup but they do not predominate. There is sufficient competition and state regulation to prevent rate making upon any monopolistic basis.

There is much ignorant criticism of the fact that large buyers are able to obtain more favorable rates than small buyers, he said. But from a practical standpoint, the rates of American companies for large buyers are frequently not sufficiently low to enable the companies to protect their business from mutual competition or self insurance with London Lloyds excess cover.

Seemingly Lucid Story

Nevertheless the assailants can piece together a seemingly lucid story of apparent discrimination and "we have a large job to do in countering them with reasonable explanations of the facts."

Where the business has consistently operated at a loss ratio that represents a fraction of that which was expected and the difference cannot be considered as fair compensation for the risk of potential loss, the business must make reasonable modifications of the rates even though not required to do so by public authority, he asserted.

Where rates are maintained at a high level because of extraordinary expense, the business must courageously determine whether the expenses are justified and if found not to be justified they should be reduced with corresponding reductions in premium costs.

Favors Renewal Slips

Mr. Magrath also advocated use of renewal certificates instead of a renewal policy "when the bulk of the physical condition of the expiring policy warrants it." This is an economy that should have been promoted in peace time and one that should be continued after the war, he declared.

Mr. Magrath also made some interesting recommendations for economies in making statistical reports and also in the setup of boards and bureaus within the business. He suggested in the first place that an attempt be made to grade the business practices of insurance according to the degrees of importance. The less essential things should be curbed or eliminated and under the impact of war, the business should become more efficient. Some of the reforms may prove to be permanent.

There is a "colossal" waste of materials and man-power in the accumulation, tabulation and reporting of absurd and useless statistics, he said. A countless variety of statistical reports are required to be sent to the various states and bureaus. An excellent beginning has been made in reforming this condition in the reduction of statistical reports required by the National Bureau of Casualty & Surety Underwriters "and the enlightened action of Insurance Director Paul F. Jones of Illinois who has suspended a great many of the statistical reports required by that state."

Petty Little Differences

The state officials and state government, he said, should forget "the petty little differences they require on policy forms and agree upon reasonable nationwide standards." Insurance people should be allowed as much latitude as consistent with public policy in developing modernized insurance coverage free from misleading clauses. Economy of time, materials and expense would result from a reduction in the multitude of policy forms required. Likewise the

various local rating organizations should reduce to a minimum the use of mandatory clauses and forms which vary between jurisdictions.

As a means of organizing an orderly reform of state policy laws, Mr. Magrath suggested that the National Association of Insurance Commissioners undertake a study in collaboration with the National Board, Association of Casualty & Surety Executives, etc. The object should be to design a modern and model guide of required standards for insurance policies.

If existing policy forms were removed from straitjackets the business could add to its progressive policy form improvements of recent years. Automobile comprehensive, extended coverage endorsement, comprehensive liability, personal property floater, blanket bond, combination policy—these are names, he said, that recall the progress that has been made in designing coverages that could be sold because the product was good. There is no need to stop now in modernizing the coverage, he said.

The national and regional organizations could very well examine into the continued existence of some bureaus and many rules. A bureau should not be abolished without preserving its useful function in some other bureau nor should any bureau be merged with

others unless it becomes clear that economy or greater orderliness would result. The elimination of unnecessary red tape and bureaucracy could produce so much greater efficiency and economy as to greatly improve the productive capacity and competitive ability of the stock companies.

"Perhaps the most difficult thing for insurance people to do is to regard their problems from an industry standpoint without regard to direct personal benefit," he declared.

WPB to Cut Inventories

WASHINGTON—Stocks of civilian goods in the hands of retailers and wholesalers have taken a sharp upward turn in the past few months, and the inventory and requisitioning branch of the War Production Board will take steps to limit all inventories to "practicable working minimums."

Regulations will specifically curb inventories of all types of merchandise in a way designed to assure that quantities on hand are reasonable and that equitable distribution among dealers is provided for.

Present proposal is to set an over-all dollar limitation on inventories of goods for sale. Excesses in one or more lines of merchandise will prevent purchases in

Want P. C. Cothran to Continue as S.C.A. Head

NEW YORK—Despite the reluctance of P. C. Cothran, vice-president and secretary of Phoenix of Hartford, to continue as head of the Stock Company Association because of pressure of other work, strong influence is being brought to bear to induce his acceptance of reelection as president at the annual meeting here Thursday. A meeting of the executive committee will take place previously, at which it is hoped Mr. Cothran's assent will be secured.

Losses of the association have been unusually heavy during the past 12 months, both from fires and windstorms and negotiations have been initiated with the Home Owners Loan Corporation looking to a revision of the contract.

When the New York department gave its approval to the expense allowance granted by the S.C.A. to the HOLC last year, it was with the stipulation that an accounting be made as to costs, and that the reasonableness would be reviewed by Superintendent Pink.

other lines which the retailer or wholesaler may wish to replenish.

A · DIRECTORY · OF RESPONSIBLE INDEPENDENT ADJUSTERS ·

DIST. OF COLUMBIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1921—Twenty-four hour Service
Washington, D. C., Woodward Bldg. Phone Met. 0616
Richmond, Va., Mutual Bldg. Phone Dial 8-8359
Baltimore, Md., Mercantile Tr. Bldg. Phone Loc. 6220
Hagerstown, Md., Warham Bldg. Phone Hag. 789
Winchester, Va., Masonic Bldg. Phone Win. 3859

ILLINOIS

PHONE HARRISON 3230 THOMAS T. NORTH ADJUSTMENT COMPANY

Adjusters
All Lines
Insurance Exchange Building,
175 W. Jackson Blvd.
Chicago

ESTABLISHED 1919

JOSEPH RICE AND COMPANY ADJUSTERS—ALL LINES

INSURANCE EXCHANGE BUILDING
CHICAGO

PEORIA Angus B. Ferdinand

1046 Jefferson Building

Established 1923
Licensed and Bonded
SECRET SERVICE DEPT.

INDIANA

CENTRAL ADJUSTING CO.

Consolidated Bldg., Indianapolis, Ind.

BRANCH OFFICES:

EVANSVILLE 414 Old Nat'l Bank
FORT WAYNE 535 Lincoln Tower
MUNCIE 304 Western Reserve
HAMMOND 407 Lloyd Bldg.
SOUTH BEND 711 Odd Fellows Bldg.
TERRE HAUTE 8 Ball Building
RICHMOND 210 Medical Arts Bldg.

INDIANA ADJUSTMENT COMPANY

505 Security Trust Building
INDIANAPOLIS

AUTOMOBILE AND CASUALTY
(All Lines)
Other offices at EVANSVILLE, FORT
WAYNE, and TERRE HAUTE.

INDIANA (Cont.)

Eugene McIntyre Adjustment Co., Inc.

All lines of Automobile, Casualty and
Inland Marine
Eight East Market Street
INDIANAPOLIS
Branch Offices:
Muncie, Ind., Terre Haute, Ind.

MARYLAND

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1921—Twenty-four hour Service
Baltimore, Md., Mercantile Tr. Bldg. Phone Loc. 6220
Hagerstown, Md., Warham Bldg. Phone Hag. 789
Washington, D. C., Woodward Bldg. Phone Met. 0616
Richmond, Va., Mutual Bldg. Phone Dial 8-8359
Winchester, Va., Masonic Bldg. Phone Win. 3859

NEBRASKA

JUDD W. CROCKER CLAIM DEPARTMENT, INC.

INSURANCE ADJUSTERS
City National Bank Building
Phone Jackson 5394
Omaha, Nebraska
BRANCHES AT
Lincoln, Neb.
Grand Island, Neb.
North Platte, Neb.
Scottsbluff, Neb.
Des Moines, Iowa
Sioux City, Iowa
Iowa City, Iowa
Cheyenne, Wyoming

R. T. GUSTAFSON COMPANY

Insurance Adjusters—Serving Nebraska and Iowa.
CASUALTY—ALL CLASSES: Auto, Liability, Compensation, Burg., H&A, P. G., Bonds, etc.
AUTO FIRE, Theft, Property Damage, Collision, etc.
OMAHA, NEBRASKA
240 Keeline Bldg. Office: Webster 2231
17 and Hursey Sts. Res. Kenwood 7411
25 years experience investigations and adjusting.

NEW YORK

WAGNER & GLIDDEN, INC. TOPLIS & HARDING, INC.

INSURANCE ADJUSTMENTS
ALL LINES

Chicago
Los Angeles
Seattle
New York
Detroit

OHIO

JOHN H. McNEAL & HARLEY J. McNEAL

1367 E. 9th St. 502 Auditorium Bldg.
CLEVELAND, OHIO
INVESTIGATIONS AND ADJUSTMENTS IN ALL
LINES OF INSURANCE
Representing Many Companies—20 Yrs. Experience
Service Throughout Northern Ohio

James A. Weyer & Associates

Adjusters for the Insurance Companies
924 Union Commerce Building
Cleveland, Ohio
Day & Night: Prospect 5111

VIRGINIA

NICHOLS COMPANY INSURANCE ADJUSTMENTS

All Lines—Representing Companies only
Established 1921—Twenty-four hour Service
Richmond, Va., Mutual Bldg. Phone Dial 8-8359
Winchester, Va., Masonic Bldg. Phone Win. 3859
Washington, D. C., Woodward Bldg. Phone Met. 0616
Baltimore, Md., Mercantile Tr. Bldg. Phone Loc. 6220
Hagerstown, Md., Warham Bldg. Phone Hag. 789

WEST VIRGINIA

JOHN C. WYCKOFF CO.

Insurance Adjustments

Main Office: Fairmont, W. Va.

BLUEFIELD, W. VA. CHARLESTON, W. VA.

Perry Building Capitol City Building

HUNTINGTON, W. VA. WHEELING, W. VA.

First Huntington Natl. Wheeling Bank and

Bank Bldg. Trust Building

CLARKSBURG, W. VA. PARKERSBURG,

429-430 Empire Natl. W. VA.

Bank Bldg. Union Trust Building

WISCONSIN

Nurnberg Adjustment Co. GENERAL ADJUSTERS

Fire, Windstorm, Hail, Automobile, Casualty,
Inland Marine and Aircraft
(Licensed Pilot in our employ)
Underwriters Exchange Building

MILWAUKEE
828 N. Broadway Phone: Daly 6883
Branch Offices: Antigo and Madison

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Auto Business Holding Own for Midwest Carriers

The Central Auto Bureau of Illinois at its annual meeting last week in Freeport reelected officers. These are Neil Russell, Inter-Insurance Exchange of the Chicago Motor Club, president; C. D. Kenney, Allstate, and C. L. Morris, Illinois National Casualty, vice-presidents; George W. Casey, Motor Vehicle Casualty, secretary, and E. F. Deicke, Suburban Automobile, treasurer. Mr. Casey is representative of the bureau on the assigned risk plan in Illinois.

The organization, which functions largely for statistical purposes, discussed problems of automobile writing companies. Although the future does not look particularly bright, so far member companies have not experienced any substantial decline in business as compared with a year ago.

Of the 19 member companies 17 were represented at the meeting. These were, in addition to those already mentioned, American States, Automobile Club of Missouri, Economy Auto, Farmers Automobile Insurance Association, Freeport Motor Casualty, General Casualty of Wisconsin, Hoosier Casualty, Illinois Casualty, Madison County Mutual, Ohio Casualty, Standard Mutual Casualty, Union of Indiana, Utilities, and Western States Mutual.

Companies indicated that they are more closely scrutinizing risks, so that the business they have will be profitable. Those with agency plants are watching collections pretty closely, and taking other steps to hold loss and expense factors within reasonable balance. Some of the companies reported a slight increase in business for the first four months. Accident frequency seems to be declining, which is a favorable factor at the moment.

Hutchinson Board Members Renew Policies by Mail

Delivery of renewal policies by mail to conserve rubber has been adopted by the Hutchinson (Kan.) Board. A policy sticker the same size and shape as the policy has been prepared, printed in red ink to be attached to the policy for mailing. It emphasizes rubber saving, mentions that if alterations are required before renewal date the agent be notified, and asks prompt return if the policy is not wanted in order to avoid making the agent liable for earned premium.

The sticker urges the assured to check on replacement costs to ascertain if additional insurance is needed, and also to notify if any changes have occurred in the risk. An envelope is enclosed for reply.

Numerous Changes in Ohio Local Agencies Announced

Virgil E. Davis, Athens, O., has sold his agency to O. G. Houck.

Harkness & Leed Agency, Ashland, O., has been taken over by Earl E. Leed as sole owner.

Diehm Agency at Barberton, O., has been transferred to E. L. Prye, who will conduct it as the Prye-Diehm Agency.

Harry G. Rogers, Barnesville, O., is in the army and his agency is being managed by Richard H. Betts.

Richard M. Tubbs, Bryan, O., is conducting the business of Henry A. Sprow, who is now a captain in the army.

Everett H. Stone, Berea, O., is now operating the Andrew Witherup Agency, succeeding Mrs. Witherup.

David E. Crouse Agency, Chillicothe, has been transferred to H. A. Lorbach who also bought the Clark C. Rice agency.

Voth & Manning Agency, Cleveland, has been purchased by Hale & Hale.

Following the death of C. D. Rice, Celina, O., his agency has been taken over by his daughter, Mrs. Helen Wurster.

General Insurance Agency, Coldwater, O., has been taken over by Anthony J. Doll.

Harold E. Roselle, Delphos, who has entered the army, has sold his agency to Walter H. Jauman.

Myers & Myers, Delaware, O., have purchased the agency of William F. Held, who has moved to Indiana.

John S. MacCamon, East Palestine, O., is now in the army and his agency is being operated by his sister.

Mrs. Mildred H. Hutchinson, of Fostoria, has taken over the agency of her father, James W. Mickey, who died recently.

A. J. Geller Agency, Flushing, O., which has been owned and operated by Wayne L. Hayes is now being operated as the W. L. Hayes Agency.

G. L. Telfer is retiring from the Thompson & Telfer Agency, Jewett, O., and C. L. Thompson will continue the business as the Thompson Insurance Agency.

Burkley Agency, Killbuck, O., has been sold to Raymond Close, Millersburg.

W. W. Reed & Son Agency, Kent, O., has been transferred to R. B. Strimple, manager, as W. W. Reed & Son. The ownership is vested in the widow and daughter of Mr. Reed, who are not active.

Roy E. Roeder, Kenton, has sold his interest in his agency to Ralph Pugh.

Fred S. Emery, London, O., has sold his agency to G. Harold Flax of that city.

Following the death of H. S. Savaney, London, O., Leon H. King has taken over his agency, operating it as McSavaney & Co.

Leroy Baker and W. A. Davisson have taken over the interest of the late Henry A. Kollars in the Baker, Kollars & Davisson Agency, Lima, O.

Robert MacIvor, Marysville, has joined the army and the agency is to be operated by his wife, Virginia MacIvor.

W. A. Lewis Agency at Malvern, O., has been purchased by Gilbert E. Marsh, Minerva, who will operate it at Malvern.

Mich. Mutual Agents Won't Form

LANSING, MICH.—About 150 agents, field men and home office executives of mutual carriers attended a sales convention here sponsored by the field men's group, the Michigan 1752 Club. Although urged to organize a state association, the agents decided it was not a propitious time.

Speakers included Ambrose Kelly, executive secretary American Mutual Alliance, Chicago; Philip Baldwin, executive secretary National Mutual Agents' Association, Washington, D. C., and Commissioner Eugene P. Berry. Deputy Commissioner Frank Cordero, Seth Burwell, head of the department's life division, and Ray Desautels of the license division also attended.

Harry Rogers at Ames School

Harry K. Rogers of the Western Actuarial Bureau is appearing this week at the Iowa Civilian Defense Training School at Ames giving talks and conducting exercises on gas masks and incendiaries.

Would Push Rental Value

MINNEAPOLIS—Minnesota agents are being advised to push rental value insurance, which has an especial appeal to property owners at this particular time when it may be difficult to get ma-

terials for reconstruction or major repair. G. E. Rolien, chairman of the rural agents committee of the Minnesota Association of Insurance Agents, reports that he has found an "immense interest" in this coverage, with less sales resistance than on almost any other type of insurance.

The rural agents committee also believes the agents should solicit renewals of all insurance maintained on existing REA operations in Minnesota.

Convicted Legislators File Appeal

JEFFERSON CITY, MO.—Motions for new trials have been filed on behalf of State Representatives Byrne and Ivanhoe, St. Louis, who were convicted of soliciting bribes during the 1941 legislature. Judge Blair of the Cole county circuit court took the motions under advisement.

Ivanhoe was convicted of soliciting a \$3,500 bribe for his vote in support of an insurance agents' qualification bill, Byrne of asking a suit of clothes to support a bill to regulate burial societies. Each was fined \$100 and sentenced to two months in jail. Both have been at liberty under bond.

Hutchinson Board Elects

HUTCHINSON, KAN.—The Hutchinson Association of Insurance Agents adjourned for the summer following its election meeting. John Fontron, N. N. Kline, C. G. Long, Wade Ratton and retiring President John B. Brehm were named to the executive committee which will select the president and vice-president from among their members. James Casey was reelected secretary. The annual joint picnic with the real estate board will be held early in June.

Field Men Talk in Minnesota

MINNEAPOLIS—C. R. Bock, Royal-Liverpool group, talked to the Twin Cities suburban agents on the mechanics of company operation and Louis L. Law, London Assurance, spoke to the Minneapolis Underwriters Association on the Minnesota standard fire policy. Mr. Bock also spoke at the northwest regional in Crookston. Carl Johnson, Crum & Forster, talked at New Ulm on engineering forces behind the product. At the regional in Alexander on June 6 Leonard Zell, Hanover, will talk on the "Law of Agency."

Calls Kansas Executive Parley

TOPEKA—Edwin S. Nellis, Topeka, has called a meeting of the executive committee of the Kansas Association of Insurance Agents here the first week in June. One of the main topics to be discussed is the date of the state convention to be held at Wichita.

Meade Buys Out Thomas

Holmes Meade, president Meade Investment Company, Topeka, has announced that the Kaw Valley Investment Company, Topeka, has been purchased by his agency from its manager, Chester L. Thomas. Mr. Thomas, who has been manager for 20 years, will go to Nebraska City, Neb., where he will be the manager of the building and loan association there.

Scheufler Talks to Buyers

ST. LOUIS—Superintendent Scheufler of the Missouri insurance department discussed "Relation of the Insurance Department to the Buyer" at a meeting of insured members' conference of the Associated Industries of Missouri here Tuesday.

Consider Toledo Changes

TOLEDO, O.—The Toledo Association of Insurance Agents met to discuss proposed revision of its constitution and by-laws. Suggestions received at a re-

cent joint meeting of the directors, the special revision committee and a group from the Ohio Association of Fire Underwriters were considered by the group.

Poll Wis. Agents on School

MILWAUKEE—The directors of the Wisconsin Association of Insurance Agents have decided to poll the members as to interest in attending the short course in fire and casualty insurance at the University of Wisconsin. Barring unforeseen war measures, there will be sufficient facilities to accommodate agents and their employees desiring to attend. Classes will be held for one week the latter part of July.

NEWS BRIEFS

The nominating committee of the Wichita Association of Insurance Women have named Leona Suhm, Harris, Burns & Co., and Eva Jackson, Wm. C. Cohen agency, for president; Loree Blue and Marcella Davis for first vice-president; Pearl Shoff and Lillian Eastman for second vice-president; Alma Burkle and Edith Semple for treasurer; and Viola Miller and Marjorie Moody for secretary.

Leonard C. Lund, deputy insurance commissioner in charge of the fire marshal's department, and Sanford Herberg, Fire Underwriters Inspection Bureau, Minneapolis, will speak at the annual meeting of the Minnesota State Firemen's Association at Shakopee, Minn., June 8-10.

The Hutchinson Insurance Women held their annual "Bosses Day" luncheon with Hughes Cunningham, Sheffer-Cunningham, Wichita adjusters, as guest speaker. The annual meeting is scheduled for June 10.

W. C. Hodges, manager Kansas Inspection Bureau, Topeka, has announced that new rate books have been published on Manhattan, Kan. It remains in the same class.

Amos P. Colburn, Waverly, Ia., local agent, has been elected president of the Rotary Club there.

The Indianapolis Association of Insurance Women was addressed by R. C. Walker, Indiana state agent Liverpool & London & Globe, on "The Back Seat Driver Moves Up."

Batchelder & Biehl Agency, Galion, O., is observing its 25th anniversary.

Wichita Association of Insurance Agents held a "Question Box" meeting under the direction of Dorth Coombs.

Howard Potts, Wichita business man, has joined the Stewart M. Young Agency, there. Mr. Young has been confined in the hospital until recently.

EAST

Mutual Agents of New England Form Association

BOSTON—The New England Association of Mutual Insurance Agents was formed here last week at a meeting attended by 100 agents from the five New England states. The group will affiliate with the National Association of Mutual Insurance Agents.

Officers are W. Harold Howatt, Springfield, Mass., president; the following vice-presidents who will represent their respective states: John H. Whorf, Boston; Charles D. Colton, Windsor Locks, Conn.; C. T. C. Davis, Manchester, N. H.; Harold Holt, Providence, R. I., and Lewis P. Smith, Bangor, Me., and Ernest H. Smith, Worcester, Mass., secretary-treasurer.

Speakers were George M. Williamson, New England manager of Merchants Mutual Casualty; H. M. Wardwell, vice-

WANTED

Experienced Fire Insurance Policy-writer Apply

A. J. Holstein General Agency, Inc.
1655 Union Guardian Building
Detroit, Michigan

president of Middlesex Mutual Fire and New England manager of Utica Mutual; Bryson F. Thompson, Thompson & Peck Agency, New Haven, president National Association of Mutual Insurance Agents; F. E. Wheeler, Worcester Mutual Fire and president of the Mutual Fire Insurance Association of New England; F. T. Cronin, president of the Association of Mutual Field Men; Martin P. Luthy, secretary Lumbermen's Mutual Casualty; Raymond C. Baker, executive vice-president of Mutual Fire Insurance Association of New England, and J. D. Sullivan, Merchants Mutual Casualty.

Purpose of the new organization is to keep agents abreast of happenings in the mutual field.

New York Agents Chief Is Experienced in Business

E. T. McLaughlin, Jr., the new executive vice-president of the New York State Association of Local Agents who was elected at the annual convention held in Syracuse, is a native of Watertown, who was educated in the schools there and operates the Jesse C. Ayers local agency of that city. He entered the employ of the Agricultural in 1928 and in 1933 became associated with the Omar A. Hine Agency. Mr. McLaughlin joined the Ayers agency as manager in 1936 and the next year purchased the agency. He is vice-president of the Insurance Exchange of Watertown, treasurer and director of the Chamber of Commerce there, and is active in Kiwanis and Knights of Columbus.



E. T. McLaughlin, Jr.

Baltimore Group Is Studying War Exclusion

BALTIMORE—The past several weekly luncheons of the Binder Club of Baltimore have been devoted to a close study of the effect of war risk exclusions on various insurance coverages. Baltimore insured are acutely conscious of the vulnerability of this industrial city to air raids—situated as it is near Washington and not far inland from the middle Atlantic seaboard. Agents are constantly queried as to the effect on insurance coverage in the event of an air raid or repellent efforts of our armed forces.

In its seven years of existence, the Binder Club has grown to a membership of about 140. It includes key men in fire and casualty agencies, and in home and branch offices; having agreed (by signing a simple "binder") to lunch weekly and discuss current problems in their respective fields.

Hitler's Nephew to Talk at Pa. Insurance Days

PITTSBURGH.—William Patrick Hitler, nephew of Adolf Hitler, will speak on "My Uncle Adolf" at the banquet June 11 in connection with the Pennsylvania Insurance Days. This annual convention of the Insurance Federation of Pennsylvania will be held in the William Penn hotel June 10-11.

Robert N. Waddell, general agent Connecticut Mutual, will be toastmaster at the banquet. Other speakers scheduled so far include C. W. Pierce, manager National Bureau of Industrial Protection, Washington, D. C.; Robert L. Hogg, assistant general counsel Association of Life Insurance Presidents, New York; Julian H. Harvey, managing director conservation bureau, Association of Casualty & Surety Executives, New York; Leonard Gardner, general counsel New York insurance department and

Stacey E. Webster, general agent Provident Mutual, Pittsburgh, assistant administrator of the war savings staff of Pennsylvania.

IN THE SOUTHERN STATES

South Carolina Agents' Program to Stress Business

The South Carolina Association of Insurance Agents has completed the program for its annual convention, which will be held at the Columbia Hotel, Columbia, June 11-12. Much interest has been evidenced by agents of the state because of the many timely subjects that will be discussed. Play has been cut to a minimum, and emphasis is on acquainting agents with the many changes in the business that have taken place since Pearl Harbor.

Philip C. Abney, second vice-president of Firemen's, will speak on "War Risk Insurance;" J. Dewey Dorsett, manager of the casualty department of the Association of Casualty & Surety Executives, on "Casualty Insurance Meets War Needs;" David A. North, vice-president of the National association, "The Insurance Agent and the War;" and Maj. G. Heyward Mahon, state director of national defense, "National Defense."

Discussion Group

There will be a discussion group led by H. Pierce North, assistant director of the Business Development Office, on "How can the local insurance agent keep up his premium income?" Participants will be John F. Satterlee, special agent of Atlas; J. B. Ballentine, local agent, Batesburg, and Messrs. Abney, Dorsett and North.

Entertainment will be confined to the annual get together dinner Thursday night, when Billy Beard, after dinner speaker, will be featured.

Guests at the convention will be Commissioner Benjamin J. Roy Jones, South Carolina commissioner of agriculture, commerce and industries; S. Linton Smith, president Virginia-Carolina General Agents Association; Lloyd T. Wheeler, manager of the Southeastern Underwriters Association, and James R. Parker, manager of the South Carolina Inspection & Rating Bureau. Governor and Mrs. Jefferies will attend the dinner.

The entertainment program for the ladies includes luncheons Thursday and Friday, and a tour of Fort Jackson Friday morning.

Dallas President



W. R. MOORE

W. R. Moore of the Munger & Moore agency has been elected president of the Dallas Insurance Agents Association, filling the vacancy caused by the death of Chas. R. Tucker.

Countersignature Law Probe Launched in Virginia

RICHMOND—Investigation of the activities of the Nottoway Corporation of Richmond, chartered several months ago, is being conducted by the state corporation commission which granted the charter. The investigation was launched following the discovery that two of its officers were members of a Charlotte, N. C., agency and that insurance was being written on a government project at Camp Pickett near Blackstone, Va.

The matter was brought to the attention of the commission by Virginia agents interested in enforcement of the Virginia countersignature law. Some of the companies which had placed insurance through the corporation have already cancelled off, according to Thomas W. Ozlin, member of the state corporation commission in charge of insurance matters. Legal phases of the inquiry have been in the hands of Blake T. Newton, counsel to the commission. He says that it has not been decided whether it will be necessary to hold a formal hearing in the case. He has conferred with practically all interested parties including both representatives of companies involved as well as of the corporation itself and the Charlotte agency. Business written by the Nottoway Corporation is reported to have been countersigned by an agent at Blackstone.

New President of Florida Agents Body

Herman J. Arrant of Miami is the new president of the Florida Association of Insurance Agents, having been elected at the recent annual meeting at St. Petersburg.

Mr. Arrant succeeds Hunter Brown of Pensacola. The Florida organization is one of the most progressive units of the National Association of Insurance Agents. Its meetings are always well attended and it has been the leader in sponsoring projects that have had national significance, particularly in the direction of education for agents and their employees. The membership of the Florida Association of Insurance Agents exceeds 500.



H. J. Arrant

Issue Arises in Ala. Over Investors Syndicate

BIRMINGHAM, ALA.—Loan agents for Investors Syndicate of Minneapolis are reported placing loans in Alabama with the requirement that they also control the fire insurance. Cases reported have to do with defense housing projects at Huntsville, Selma and elsewhere in the state. Other agents who attempted to write insurance on some of the houses found that their policies were returned by the loan agents, even though the purchasers of the houses had placed the policies. The loan agreements were understood to have a clause to the effect that the loan agent would write the insurance over a five year period.

SYNDICATE'S EXPLANATION

MINNEAPOLIS—The head of the Investors Syndicate insurance department states that the complaint from Alabama is due no doubt to the refusal of

New Vice-president of Alabama Agents Unit

Yetta G. Samford, who was elected vice-president of the Alabama Association of Insurance Agents at the recent annual meeting, has been a local agent at Opelika since 1919. He left the senior class of Alabama Polytechnic Institute in 1917 for war service and he entered the insurance business immediately thereafter in Montgomery, Ala. However, within a few months he opened



Yetta G. Samford

an office in Opelika under his own name. In 1921 he went into partnership with George E. Clower, operating as Clower & Samford. In 1935, Mr. Samford bought out Mr. Clower's interest and has operated since under the name of Yetta G. Samford. The agency traces its origin to 1872.

Mr. Samford is a director in Liberty National Life of Birmingham, Bankers Fire & Marine of Birmingham and Farmers National Bank of Opelika.

the Syndicate to accept mutual insurance in connection with loans. This stand is taken, he states, because they resell many of their mortgages to eastern firms that refuse to accept mutual insurance.

He states the Syndicate accepts any stock company insurance where the company has a policyholders surplus of \$2,000,000 or better. They do not discriminate between board and non-board companies. He states the Syndicate does not insist on a five year contract of insurance but that some of the agents and brokers who negotiate the loans may do that and such insurance contracts are accepted by the Syndicate if they meet the aforesaid requirements.

Must Pay Taxes Up to Withdrawal

OKLAHOMA CITY—An out of state company licensed in Oklahoma must pay premium taxes on premiums collected prior to its withdrawal, the attorney-general has held in an opinion rendered Commissioner Read. Although a company has to pay taxes on business written during the previous year before it is relicensed, it is also liable for taxes on premiums written subsequently, even if it withdraws before the end of the year for which it was licensed.

The attorney-general further contended that although the 1941 act, raising the Oklahoma tax on foreign companies from 2 to 4 percent, did not go into effect until April 23, 1941, it is immaterial since this act clearly reveals a legislative intent that the said 4 percent tax should apply to all premiums collected during the calendar year 1941.

Hold Ala. School July 13-15

BIRMINGHAM, ALA.—A streamlined short course is being planned by the Alabama Association of Insurance Agents at the University of Alabama at Tuscaloosa July 13-15. Only four courses will be taught this year: Fire

FACTUAL APPRAISALS

Impartial Valuations of Industrial and Commercial Property... A quarter century of factual appraisal service to America's more conservative business institutions

The Lloyd-Thomas Co.

APPRAISAL ENGINEERS
EXECUTIVE OFFICES

NEW YORK
350 FIFTH AVE.

CHICAGO
4411 RAVENSWOOD AVE.

DISTRICT OFFICES IN OTHER PRINCIPAL CITIES

and allied lines, inland marine, general liability and auto liability and property damage. Instructors are now being engaged. L. J. Thomas of Dothan will serve for the third year as dean. President Ed H. Moore and Secretary-Manager M. R. McGruder are assisting in arranging for the school.

Several Georgia agents have expressed a desire to attend the Alabama school since none will be held in that state this year.

Discuss AAA Cotton Coverage

ATLANTA—AAA insurance of cotton crops in the field was discussed here Tuesday at a meeting of farmers and agricultural workers. The crop insurance, offered for the first time this year, provided from 50 to 75 percent of average yield and provides protection against weevil, plant diseases, flood, frost, hail and similar natural hazards.

Dallas Blue Goose-Agents Tourney

The annual Blue Goose and local agents golf tournament and get-together dinner of Dallas insurance men will be held at the Lakewood Country Club, June 1. Although the golf scores have always been close, the members of the Dallas Insurance Agents Association have won four of the five previous tournaments. Tom McAfee, National Union, is chairman for the Blue Goose and Jay Russell Smith for the agents.

Slate Jervey for Reelection

NEW YORK—Louis P. Jervey, vice-president of America Fore with headquarters in Atlanta, is slated for reelection as president of the Southeastern Underwriters Association at the annual meeting at Hot Springs, Va., June 17. The executive committee will hold sessions on each of the two preceding days, preparing reports for submission to the general meeting.

Upon adjournment of the Hot Springs gathering several of the company executives will travel to Richmond to attend the annual meeting of the Virginia Insurance Rating Board, June 18.

Will Decide on Tenn. Meeting

NASHVILLE—The directors of the Tennessee Association of Insurance Agents will meet in Knoxville June 2 to set the time and place for the annual meeting. The meeting will precede the agents short course in Knoxville.

Keese Tenn. School Instructor

KNOXVILLE, TENN.—Will S. Keese, Jr., Chattanooga, member of the executive committee of the National Association of Insurance Agents, has been selected as instructor on war damage insurance in the short course here June 3-5, sponsored jointly by the Tennessee Association of Insurance Agents and the division of extension of the University of Tennessee. T. Levron Howard of the university instruction staff will direct the school instead of L. P. McCord of Jacksonville, Fla., who is unable to attend.

NEWS BRIEFS

The North Carolina Association of Insurance Women was formally organized at a meeting in Greensboro. Mrs. Willie Hood White, Charlotte, was elected president; Mrs. Elsie H. Lee, Raleigh, vice-president; Miss Katherine Pittman, Raleigh, secretary; and Miss Ada B. Kivette, Greensboro, treasurer.

Julian J. Fleming of the Fleming-Deleuil agency, Louisville, retiring district president of Optimist Clubs was presented a diamond-studded button.

A. W. Tippet, Louisville local agent, has been elected a vice-president of the Rotary Club there.

Junior Bateman, partner in Simms & Bateman agency, Springfield, Ky., with Leon F. Simms, has sold his interest to Joseph H. Leachman, Springfield. Mr. Bateman has entered the army.

PACIFIC COAST AND MOUNTAIN

Many Washington Rule Book Changes

SEATTLE—Several changes in the rules and tariffs of the Washington Surveying & Rating Bureau became effective May 22, as well as several amendments to the manual of miscellaneous insurance coverages.

Under general rules, there is an amended consequential damage assumption clause for provisional reporting policies. Policies insuring one or more permanent locations may now include a floater item on merchandise, at floater rates, with a maximum limit of \$3,000 at any one location. The full reporting clause has been clarified and the civil authorities clause is being deleted.

New Blanket U. & O. Rule

The rule governing the distribution clause in connection with blanket business interruption insurance has been deleted. To take advantage of this, the new forms must be substituted. Blanket use and occupancy coverage on two or more seasonal plants under the specified time form requires the 100 percent contribution clause unless the plants are operated on an interdependent basis.

The additional living expenses form no longer contains the civil authorities clause and the provision on monthly liability, when the form is attached to policies insuring other property, has been clarified. Cancellation or extension of the policy term under the builders risk reporting form may now be made on a pro rata basis.

Builders Risk Changes

Under the builders risk completed value form, the civil authorities clause has been deleted and the lightning and electrical exemption clauses have been added. A cease operations and shut-down permit on forms covering manufacturing risks, mills, special hazards and mining property when more than 60 days is required has been made mandatory. The same rule also applies to mining properties and dredges. Pro rata reduction of the amount of insurance on hay in the open on farms is not permitted.

The special market value clause formerly used on policies covering finished goods in superior sprinklered manufacturing risks has been reworded and applied likewise to unsprinklered risks.

John Lewis Special Agent for Cashman & Evans

John N. Lewis, Colorado Springs, has been appointed special agent in Colorado, Wyoming and New Mexico for Cashman & Evans, Denver general agents.

Mr. Lewis has had a wide experience in insurance, both as special agent and adjuster, and is a veteran fieldman in the southwestern states. He began his insurance career with the R. H. M. Mills & Sons agency in Pine Bluff, Ark. In 1917 he entered field work, serving as Arkansas-Oklahoma state agent for the National Liberty for 14 years, and was associated with Pattillo & Myers, Dallas general agents, for the Meserole companies, in Texas, Oklahoma and Kansas as fieldman for three years. Recently he has been an independent adjuster in Colorado. His headquarters will be in the Colorado building, Denver.



J. N. Lewis

Heads Pacific Board Executive Committee



CHARLES C. HANNAH

The executive committee of the Pacific Board, at its annual reorganization meeting, elected Charles C. Hannah, vice-president of Fireman's Fund, as chairman.

The meeting at which Mr. Hannah was elected was the first which included the new members elected at the recent annual meeting. Mr. Hannah is serving his second year as a member of the board, and, if tradition prevails, he will be vice-president next year and president in 1944.

provided a 90 percent or higher average clause is used.

Tariff rating on class D churches and chapels when not exposed by any buildings considered a chargeable exposure is now permitted. A special permit is now provided for unlimited vacancy or unoccupancy on farms without charge when the premises are under supervision of an authorized employee who resides on the premises.

Under the protected dwelling tariff, the civil authorities clause has been dropped and the new lightning and electrical apparatus clause has been added to the dwelling forms. This clause now applies to all items incorporated in the forms, instead of on the dwelling and contents.

Idaho Statement on Jurisdiction

BOISE, IDA.—The Idaho Surveying & Rating Bureau points out that it has jurisdiction over fire insurance on federal properties within the state, including areas ceded to the federal government. It bases its statement on the theory that the bureau has territorial jurisdiction equal to that of the state under laws governing contracts and that the state retains jurisdiction over ceded areas for the service of legal process. Accordingly, the statement continues, the director of insurance has asked that daily reports on such fire policies be cleared through the bureau.

The bureau has also republished its list of subscribing companies, with addresses of Pacific Coast managers and general agents.

Surplus Line Meeting June 1

SEATTLE—The first annual meeting of the Surplus Line Association of Washington has been called for June 1 in Seattle. R. E. Voigt of Swet & Crawford is chairman.

June 11 will be the first anniversary of the association's establishment. The association operates a checking office under the direction of Irwin Mesher as

arbitrator, to pass on all non-admitted coverages and determine their eligibility under the law.

Burns Gets Merchants, N. Y.

Frank Burns Co., Seattle general agency, has been appointed to represent Merchants Fire of New York in the Seattle and Tacoma district. Merchants has closed its Seattle service office. The Burns general agency has for some time represented the company for Alaska.

Oldsters Reign Supreme

DENVER—According to the Colorado insurance department, there are a greater number of insurance agents in Colorado past the age of 80 than there are under the age of 25. The average is 53 years.

NEWS BRIEFS

W. A. Groce, investigator in Washington state for the National Board, who is on leave to serve with the Washington State Defense Council, has been named acting director of that organization. He was formerly chief deputy state fire marshal.

The annual golf and horseshoe tournament of the Insurance Accountants Association of San Francisco was held Friday, followed by a dinner.

Insurance Buyers Hold Valuable Sessions

(CONTINUED FROM PAGE 31)

government offices to ascertain exactly what he will be required to carry in the way of insurance. The result has been a considerable amount of uncertainty, confusion and delay.

War Damage Lesson

H. T. Freeman, president Manufacturers Mutual Fire of Providence, and Percy Chubb, Jr., director of wartime insurance, War Shipping Administration, will discuss respectively the land and marine aspects of war damage insurance. The morning session will end with a new color film produced by Associated Factory Mutuals showing tests on industrial magnesium fires and how these lessons can be applied to extinguishing the most common type of incendiary, the magnesium bomb.

Panel on Plant Protection

The afternoon will be an informal panel discussion on plant protection, members being Lt.-Col. H. G. Reynolds, assistant chief internal security division, office of the provost marshal general; Lt.-Commander S. J. Singer, industrial division, office of civilian defense; Brig.-Gen. R. B. Putnam, U. S. Marine Corps (retired), general security director Sperry Gyroscope Company; R. A. Wisner, plant engineer United States Steel Corporation; and Harry Newell, engineer National Board of Fire Underwriters.

Ralph H. Bell, insurance manager United Parcel Service, New York City, will conduct the morning session, while E. F. Gallagher, superintendent Ohio Inspection Bureau, Columbus, will preside in the afternoon.

Approved For Plant Protection

JUSTRITE

OILY WASTE CANS

The safety container for oily waste, rags and other flammable material.



SAFETY CANS

For storing and handling explosive or flammable liquids with safety.



Approved by Underwriters' Lab., Inc., and Associated Factory Mutual Fire Ins. Cos.

JUSTRITE MANUFACTURING COMPANY
2067 N. Southport Ave., Chicago, Ill.

MOTOR

Falls Starts Third Term as N.A.U.A. Head

NEW YORK—For the third successive term L. E. Falls, vice-president of American, was elected president of the National Automobile Underwriters Association at the annual meeting here Wednesday. Members felt that officials who are thoroughly familiar with the



L. E. FALLS

problems of the business and whose counsel had proved sound and progressive should be kept in office this year. Esmond Ewing, vice-president of Travelers Fire, was reelected vice-president and Walter F. Beyer, vice-president of Home, treasurer.

Regional representatives upon the board for the new year will be: Eastern, F. E. Sammons, vice-president Hanover; western, S. M. Buck, vice-president Great American; southern, C. S. Whitner, associate manager Hartford; Pacific Coast, W. W. Gilmore, manager London & Lancashire.

The administrative officers continue. Manager is J. Ross Moore; assistant manager, S. H. Davey; actuary, W. D. Hall.

See Fluctuation in Experience

Officials of companies writing automobile insurance are much encouraged after the restrictions were made on tires and new automobiles in seeing the claim

ratio go down. Automobile fatalities decreased materially as compared with the similar week a year ago, especially since March 1. The reduction in the number of fatalities has varied in a way but not until the middle of May was there an increase shown in deaths from automobile accidents.

This has caused automobile underwriters to wonder whether the original impression made on the minds of people that it was necessary to use their automobiles less, to drive more carefully, has in a way waned or worn off. Psychologists declare that very often persons are swayed at the first by some cause and as time goes on the edge is worn. However, gasoline restrictions on the Atlantic seaboard may cause another decline in automobile deaths because of the drastic restrictions on the amount of gasoline allotted.

Study Second Hand Dealers

NEW YORK—Since prohibition of the sale of new automobile tires became effective there has been a sharp reappraisal of the value of second-hand cars on sale; their worth no longer being predicated mainly upon the year of manufacture and general condition, but rather influenced to a considerable degree by the condition of their tires. One of the fire companies has directed all of its special agents to make a re-survey of cars on sale by second-hand dealers, upon whose properties the company has coverage.

MARINE

Make Suggestions on War Cargo Liability Writings

Because of the confusion and rate cutting which has developed in cargo liability cover on shipments of war materials in the Chicago ordinance district and other highly valued defense and government shipments outside that ordinance jurisdiction, an effort has been made by

underwriters in the Chicago market to stabilize writings.

The movement of war material has developed rapidly in recent months and has constituted a new and unfamiliar field for the underwriters.

There has been suggested for Chicago ordinance district shipments the following schedules for cargo liability limits of \$50,000. Within 100 miles, 3 cents per \$100 with a flat premium of \$15; 101 to 200 miles, 4 cents per \$100, with a flat premium of \$20; 201 to 350 miles, 5 cents, \$25; 351 to 500 miles, 6 cents, \$30; 501 to 750 miles, 7 cents, \$35. These rates apply against values and not against gross receipts as is ordinarily the case.

Where the load is less than \$50,000 and the trucker can determine the value, the flat charge basis will be disregarded and the premium figured on the rate. So far there has been no request from the army for a limit less than \$50,000, nor more than that on any one truck. On liability over \$50,000, the matter is left to individual underwriting judgment.

On cargo shipments not under the jurisdiction of the Chicago ordinance district, the following rates have been suggested for \$50,000 liability: On planes, motors, propellers, fuselages, wings and all precision instruments, up to 350 miles, 7½ cents per \$100, and 351 to 1,000 miles, 15 cents. Shipments of more than 1,000 miles, will be given special consideration. On all other ordinance, the suggested rates are 5 cents per \$100 for up to 350 miles, and 10 cents per \$100 from 351 to 1,000 miles, with special consideration for distances over 1,000 miles.

Louisville Bridge Insured

LOUISVILLE—The bridge commission here insured the Louisville municipal span at an annual rate of \$4,275, or double the premium paid under its last five-year policy.

The multi-risk coverage of \$1,500,000

Convention Dates

May 28-30, Virginia Agents, Richmond, John Marshall Hotel.
June 3-4, Missouri Fire Underwriters Association, Lake Taneycomo, Rockaway Beach.
June 3-4, Kentucky field men, Mammoth Cave, Ky.
June 5, Bureau of Personal Accident & Health Underwriters, New York City, Hotel Pennsylvania.
June 8-10, Insurance Commissioners, Cosmopolitan Hotel, Denver.
June 8, Minnesota Insurance Federation, Minneapolis.
June 9, Ohio Fire Underwriters Association annual meeting, Columbus.
June 10-11, Insurance Federation of Pennsylvania, Pittsburgh, William Penn hotel.
June 11-12, South Carolina Agents, Columbia, Columbia Hotel.
June 11-13, National Association Independent Insurance Adjusters, St. Louis, Coronado hotel.
June 12, Iowa field meeting, Des Moines.
June 15-17, Southeastern Underwriters Association, Hot Springs, Va., Homestead Hotel.
June 16, Connecticut agents, mid-year, Hartford, Hartford Golf Club.
June 18, Illinois Farm Insurance Agents Association, Peoria, Jefferson hotel.
June 17-18, Minnesota field men, Brainerd, Pine Beach hotel.
June 18-19, Illinois Fire Underwriters Association, Lake Delavan, Wis., Lake Lawn Hotel.
June 18-19, Wisconsin Fire Underwriters Association, Green Lake, Wis., Lawsonia.
June 19, Tennessee field men, Nashville.
June 23-24, Michigan Fire Underwriters Association, Onkama, Portage Point Inn.
June 24-27, National Association of Insurance Women, St. Paul, Minn., Hotel St. Paul.
June 29-July 1, National Association of Accident & Health Underwriters, Detroit, Statler Hotel.

was placed with General of Seattle, \$700,000; Pacific Fire, \$500,000, and Standard Fire & Marine, \$300,000. All are represented by the Moellmann & Hennessy agency.

Complete Specialized Service

MARINE OFFICE OF AMERICA

All Classes of Ocean and Inland Marine Insurance

MARINE OFFICE OF AMERICA

NEW YORK: INSURANCE EXCHANGE BUILDING
ATLANTA: BENTLEY BUILDING
BALTIMORE: BENTLEY BUILDING
BOSTON: BENTLEY BUILDING
CHICAGO: BENTLEY BUILDING
CINCINNATI: BENTLEY BUILDING
CLEVELAND: BENTLEY BUILDING
DENVER: BENTLEY BUILDING
DETROIT: BENTLEY BUILDING
HOUSTON: BENTLEY BUILDING
LOS ANGELES: BENTLEY BUILDING
MEMPHIS: BENTLEY BUILDING
NEW ORLEANS: BENTLEY BUILDING
PHILADELPHIA: BENTLEY BUILDING
PITTSBURGH: BENTLEY BUILDING
ST. LOUIS: BENTLEY BUILDING
ST. PAUL: BENTLEY BUILDING
ST. PETERSBURG: BENTLEY BUILDING
TAMPA: BENTLEY BUILDING
WASHINGTON: BENTLEY BUILDING
WICHITA: BENTLEY BUILDING

WHEN YOU TRAVEL to PITTSBURGH

STOP AT

HOTEL PITTSBURGH

Pittsburgh's Newest!

Popular with Defense Officials

Rates

SINGLES	DOUBLES
\$3.30 to \$4.40	\$5.00 to \$6.50

Radio & Bath in Every Room

A KNOTT HOTEL • JOS. F. DUDDY, Mgr.

Superbly Located in NEW YORK CITY

At the Center of... **Major Attractions**

A distinctive hotel—located in the heart of New York's finest shopping district—near the best theatres and gayest night clubs. In the hub of the City's social and cultural district, it offers an unusually central place to stay while in town. Here, spacious rooms, superb service, a quiet and refined atmosphere, and excellent cuisine, make for dignified living.

A. S. KIRKEBY, Managing Director

The Gotham

5th Avenue at 55th Street • New York City

"Prompt Paying Preferred"

50 + YEARS *of* SERVICE

"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 57 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

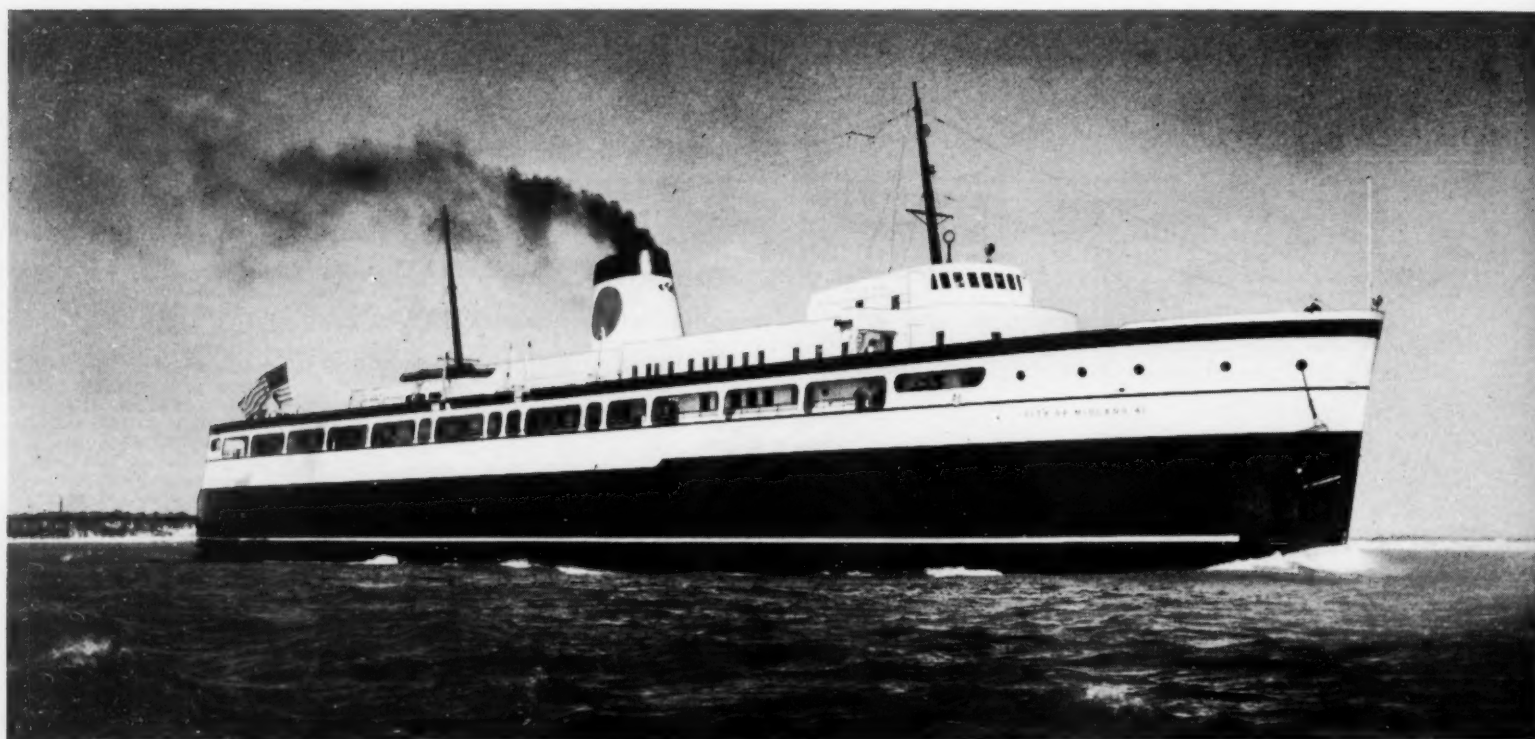
EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

Streamlined

FOR PROGRESS

Emmco's streamlined, aggressive program is planned to give agents the necessary tools for progress. Even in these unusual days of business, the result has been that Emmco agency business is forging ahead . . . With an eye to the future, progressive-minded agents are lining up with Emmco. For the Emmco plan is designed for today's insurance needs just as Pere Marquette's sleek new car ferry is streamlined to meet today's heavy transportation needs.



It will pay you to tie up to Emmco, a fast growing, strong insurance organization. Four important factors that are attracting new agents to Emmco are:

- 1 MAXIMUM COOPERATION ON UNDERWRITING PROBLEMS
- 2 UP-TO-DATE PROMOTION WHICH HELPS OUR AGENTS
- 3 PROMPT AND COURTEOUS ADJUSTMENT SERVICE
- 4 MAXIMUM PROTECTION FOR THE POLICYHOLDER

Emmco

Insurance STOCK Companies
AUTO • CASUALTY FIRE INSURANCE

HOME OFFICES • SOUTH BEND, IND.

E. M. MORRIS, PRES. • H. C. WILLIAMS, VICE PRES. & SEC'Y. • THOS. F. SHORTALL, SUPT. OF AGENCIES • C. L. SCRANTON, MGR. UNDERWRITING DEPT.

